



**DUNDEE REAL ESTATE INVESTMENT TRUST
NOTICE OF SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON AUGUST 15, 2007**

AND

MANAGEMENT INFORMATION CIRCULAR

PROPOSED SALE OF EASTERN REAL ESTATE PORTFOLIO

TO

GE REAL ESTATE

AND

REDEMPTION AND TRANSFER OF

**UP TO \$1.69 BILLION OF THE OUTSTANDING UNITS
OF DUNDEE REAL ESTATE INVESTMENT TRUST**

AT A PRICE OF \$47.50 PER UNIT

July 13, 2007

These materials are important and require your immediate attention. They require unitholders of Dundee Real Estate Investment Trust to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisor. If you have any questions or require more information with regard to voting your units, please contact Georgeson Shareholder Communications Canada Inc., toll-free at 1-888-605-7619.



July 13, 2007

Dear Unitholder,

You are cordially invited to attend a special meeting (the “**Meeting**”) of unitholders of Dundee Real Estate Investment Trust (“**Dundee REIT**”) which will be held on Wednesday, August 15, 2007 at 10:00 a.m. (Toronto time) at the TSX Broadcast Centre — Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario. At the meeting, unitholders will be asked to consider and vote on a very significant transaction, which is described in more detail in the management information circular accompanying this letter (the “**Circular**”).

Dundee REIT’s operating subsidiary is proposing to sell its portfolio of real estate assets located principally in Ontario, Québec and Newfoundland (the “**Eastern Portfolio**”) to GE Real Estate for a total purchase price of approximately \$2.4 billion (subject to adjustment), including the assumption of certain liabilities by GE Real Estate relating to the Eastern Portfolio. If this sale is completed, Dundee REIT will continue to own real estate assets located in Western Canada (the “**Western Portfolio**”) valued at approximately \$1.5 billion, transforming Dundee REIT into what is intended to be a more growth-oriented and opportunistic real estate investment trust.

Dundee REIT will use the cash proceeds received on closing of the sale of the Eastern Portfolio (approximately \$1.5 billion, subject to adjustment) to redeem outstanding units for \$47.50 cash per unit. GE Real Estate has also agreed to purchase 3,473,684 outstanding units of Dundee REIT for \$47.50 cash per unit, for a total purchase price of \$165 million. This would result in GE Real Estate owning an approximate 18% equity interest in Dundee REIT at closing. The price of \$47.50 cash per unit represents an 18.9% premium over the closing price of Dundee REIT’s units on the TSX on June 1, 2007, the last full trading day before the announcement of this transaction. Dundee Corporation, its affiliates and the Chief Executive Officer of Dundee REIT have agreed to collectively elect to have 58% of their units acquired pursuant to the transaction with the intention of maintaining, in the aggregate, an approximate 18% equity interest in Dundee REIT upon completion of the transaction.

While the number of units to be acquired by GE Real Estate is fixed at 3,473,684, the number of outstanding units to be redeemed by Dundee REIT is dependent on the cash proceeds received on the closing of the sale of the Eastern Portfolio. Based on the maximum cash proceeds of \$1.5 billion and GE Real Estate’s investment of \$165 million, a total of approximately 35.5 million outstanding units in the aggregate will be either redeemed by Dundee REIT or transferred to GE Real Estate. This acquisition would represent a payment of up to \$1.69 billion to our unitholders.

The redemption of units by Dundee REIT and the purchase of units by GE Real Estate have been structured so as to provide significant choice to our unitholders in terms of the number of units of Dundee REIT retained. Unitholders will be able to elect the percentage of their units that they wish to have acquired by Dundee REIT and GE Real Estate, subject to the requirement that all of the cash proceeds from the sale of the Eastern Portfolio and GE Real Estate’s investment of \$165 million will be and must be used to acquire outstanding units. Unitholders wishing to participate on a pro rata basis will be entitled to do so.

Unitholders may elect to have (i) none, (ii) 25%, (iii) 50%, (iv) 58%, (v) their pro rata percentage, or (vi) 100% of their outstanding units acquired, subject to proration in certain circumstances as more fully discussed in the Circular. If unitholders make no election, they will be deemed to have elected to have none of their units acquired.

In connection with the transaction, certain unitholders holding, collectively, approximately 17.6% of the issued and outstanding units of Dundee REIT as at June 3, 2007 have entered into a lock-up agreement pursuant to which they have agreed to vote their units in favour of the transaction.

Following the closing, the Western Portfolio will continue to be internally managed, with a subsidiary of Dundee REIT continuing to act as the property manager for the Western Portfolio. Property management for the Eastern Portfolio will be performed by GE Real Estate.

GE Real Estate and Dundee Realty Corporation (“**DRC**”) have negotiated the form of an asset management agreement under which DRC will provide asset management services to GE Real Estate with respect to the Eastern Portfolio. DRC also negotiated the form of an asset management agreement with Dundee REIT pursuant to which DRC will provide asset management services to Dundee REIT with respect to the Western Portfolio. Dundee REIT’s current senior management will continue to work as a team, as the transaction contemplates that all of Dundee REIT’s senior management will be transferred to DRC. Both asset management agreements will be entered into on closing.

As part of the transaction, Dundee REIT also intends to make certain amendments to its governing documents that are designed to make it more competitive with other real estate businesses in Canada, including privately managed funds seeking to invest in real estate.

Dundee REIT was formed in 2003 as part of the reorganization of DRC pursuant to which the commercial revenue producing properties of DRC were transferred to a real estate investment trust. Since its inception, Dundee REIT has grown significantly, and has also experienced a significant increase in the valuation ascribed to its units. This growth, together with other factors, led management to consider the extent of the potential for additional growth of Dundee REIT.

There are several strategic reasons driving this transaction. Firstly, real estate markets in Western Canada are currently outperforming the markets elsewhere in Canada and we believe this outperformance will continue. Selling the Eastern Portfolio is an efficient way to realign Dundee REIT’s portfolio and maintain what we believe will be higher-growth assets. Secondly, we believe that we can add more value to a smaller, growth-oriented REIT than we can with Dundee REIT as it currently exists. By reducing the size of our portfolio by approximately two-thirds and maintaining ownership of assets in Western Canada, we expect to have a lower cost of capital and to be able to grow the remaining real estate operations in a significant and accretive way. Additionally, we believe the amendments to our governing documents will allow Dundee REIT to be a more flexible and competitive REIT, better enabling us to grow the real estate activities of our operating subsidiary.

The transaction is the result of a careful strategic review conducted by the Board of Trustees of Dundee REIT and a committee of trustees independent of both Dundee Corporation and management of Dundee REIT established to consider and make recommendations to the Board of Trustees with respect to the transaction.

The independent committee retained independent counsel and engaged Blackmont Capital Inc. (“**Blackmont**”) to provide independent valuations and a fairness opinion. Subject to the assumptions, limitations and qualifications set out in its valuations and fairness opinion, Blackmont determined that, as of June 3, 2007, the fair market value of REIT Units, Series A was in the range of \$40.00 to \$45.00 per unit and the fair market value of such units after giving effect to the transaction was in the range of \$42.00 to \$47.00 and concluded that, as of June 3, 2007, the consideration to be received by unitholders (other than those subject to the lock-up agreement) in conjunction with the transaction is fair, from a financial point of view, to such unitholders.

The Board of Trustees has also received an opinion from its financial advisor, Brookfield Financial Real Estate Group Limited (“**Brookfield Financial**”), concluding that, subject to the assumptions, limitations and qualifications contained therein, as of June 3, 2007, the consideration to be received by unitholders (other than those subject to the lock-up agreement) in connection with the transaction is fair, from a financial point of view, to such unitholders.

Based in part on the recommendation of the independent committee of the Board of Trustees, and after giving careful consideration to a variety of factors, including the respective opinions of Brookfield Financial and Blackmont, the Board of Trustees of Dundee REIT (with interested trustees abstaining) has unanimously determined that the consummation of the transaction is in the best interests of Dundee REIT and its unitholders and unanimously recommends that unitholders vote “**FOR**” the special resolution authorizing the transaction at the Meeting.

In order for the transaction to proceed, the special resolution must be approved by at least 66⅔% of the votes cast at the Meeting by holders of voting units of Dundee REIT. In addition, the special resolution must be approved by at least a simple majority of the votes cast at the Meeting by “minority” unitholders, as determined in accordance with applicable law. The transaction is also subject to certain regulatory approvals.

Included with this letter are documents relating to the Meeting, consisting of a Notice of Special Meeting, the Circular, a Form of Proxy (or, in some cases, a voting instruction form) and a Letter of Transmittal and

Election Form. The Circular is lengthy because of the complexity of the structure of the transaction and the need to comply with certain legal requirements.

We sincerely hope that you will be able to attend the Meeting. Whether or not you plan to attend the meeting, you are encouraged to vote your units in any one of the following three ways: (1) by completing, signing, dating and returning the accompanying form of proxy or written voting instruction form in the enclosed postage-paid envelope or by facsimile as described in the Circular; (2) by following the instructions for telephone voting in the accompanying form of proxy or written voting instruction form; or (3) by following the instructions for internet voting in the accompanying form of proxy or written voting instruction form. Regardless of the number of units you may own, your vote is important.

If you have any questions that are not answered by the attached documents, or need additional information, you should contact your professional advisors or you can contact Georgeson Shareholder Communications Canada Inc. at 1-888-605-7619 who have been engaged by Dundee REIT to assist in communicating with unitholders.

On behalf of Dundee REIT, I would like to thank all unitholders for their ongoing support as we prepare for this milestone event for Dundee REIT. We are committed to a successful transaction and believe it will better position Dundee REIT to compete with other real estate businesses and serve the needs of our unitholders.

Yours very truly,

A handwritten signature in black ink, appearing to read 'M. J. Cooper', with a long horizontal flourish extending to the right.

Michael J. Cooper
Vice Chairman and Chief Executive Officer

NOTICE OF SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of the unitholders of Dundee Real Estate Investment Trust will be held:

on Wednesday, August 15, 2007
at 10:00 a.m. (Toronto time)
at the TSX Broadcast Centre — Gallery
The Exchange Tower
130 King Street West
Toronto, Ontario

for the following purposes:

1. to consider and vote on a special resolution, substantially in the form annexed as Appendix A to the Circular accompanying this Notice, approving:
 - (a) the sale of Dundee REIT's portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and related assets to GE Real Estate pursuant to and on the terms and subject to the conditions set forth in the Purchase Agreement, as amended;
 - (b) the amendment of the declaration of trust of Dundee REIT and the governing documents of its subsidiaries to provide for and effect the redemption by Dundee REIT of outstanding units using the cash proceeds received on closing of the sale of its portfolio of real estate assets and the transfer of 3,473,684 units to GE Real Estate, in each case for \$47.50 cash per unit; and
 - (c) the amendment of the declaration of trust of Dundee REIT and the governing documents of its subsidiaries in respect of the governance and operation of Dundee REIT, including the modification of Dundee Corporation's existing board appointment rights and significant changes to the investment guidelines and operating policies of Dundee REIT and its subsidiaries in order to remove or modify many of the restrictions on investments, indebtedness and other activities; and
2. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the matters to be put before the Meeting are set forth in the accompanying Circular.

If you are a registered holder of units of Dundee REIT, you are requested to complete, sign, date and return to Computershare Trust Company of Canada, the transfer agent and registrar of Dundee REIT, the enclosed form of proxy whether or not you are able to attend the Meeting in person. All instruments appointing proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not later than 4:00 p.m. (Toronto time) on the second last Business Day preceding the date of the Meeting or with the Chair of the Meeting prior to the commencement of the Meeting on the date of the Meeting, and any instruments appointing proxies to be used at any adjournment or postponement of the Meeting must be so deposited at least 48 hours (excluding Saturdays and holidays) prior to the time set for such adjournment or postponement of the Meeting or with the Chair of the adjourned or postponed Meeting prior to the commencement of the Meeting on the date of the Meeting.

If you are a non-registered holder of units of Dundee REIT (for example, if you hold units of Dundee REIT in an account with a broker, dealer or other intermediary), you should follow the voting procedures described in the voting instruction form or other document accompanying the Circular or call your broker, dealer or other intermediary for information on how you can vote your units.

The Board of Trustees of Dundee REIT has fixed July 12, 2007 as the record date for the determination of unitholders of Dundee REIT entitled to receive notice of and vote at the Meeting. Any Unitholder that has acquired units of Dundee REIT after the record date will not be entitled to receive notice of or vote those units at the Meeting.

DATED at Toronto, Ontario this 13th day of July, 2007

By Order of the Board of Trustees

A handwritten signature in black ink, appearing to read 'MJ Cooper', with a long horizontal flourish extending to the right.

MICHAEL J. COOPER
Vice Chairman and Chief Executive Officer

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DEFINED TERMS

Unless otherwise defined or unless the context otherwise requires, capitalized terms used in this Circular have the meanings given to them in the Glossary of Terms at the end of this Circular.

CURRENCY

All dollar amounts in the letter to unitholders, the notice of special meeting of unitholders, the Circular, the form of proxy and the Letter of Transmittal and Election Form (collectively, the “**Meeting Materials**”) are expressed in Canadian dollars (“\$”), unless otherwise indicated. On July 12, 2007, the exchange rate for one U.S. dollar expressed in Canadian dollars based on the noon spot rate of the Bank of Canada was \$1.0469.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the Meeting Materials constitute “forward-looking statements”. All statements, other than statements of historical fact, included in the Meeting Materials that address future activities, events, developments or financial performance, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future” or “continue” or the negative thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by Dundee REIT in light of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. Unitholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions and other factors, many of which are outside the control of Dundee REIT. Such uncertainties, assumptions and other factors could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, general and local economic and business conditions, including the financial condition of tenants, the ability to refinance maturing debt, leasing risks, including those associated with the ability to lease vacant space, interest rates, exchange rates, equity markets, business competition, changes in government regulations or in tax laws and timing of the completion of the Transaction. Although the forward-looking statements contained in this Circular are based upon what Dundee REIT believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain assumptions made in preparing forward-looking information and Dundee REIT’s objectives include the assumption that the Canadian economy will remain stable in 2007 and that inflation will remain relatively low. Dundee REIT has also assumed that interest rates will remain stable in 2007, that conditions within the real estate market, including competition for acquisitions and estimated market rental rates, will be consistent with the current climate and that the Canadian capital markets will continue to provide Dundee REIT with access to equity and/or debt at reasonable rates. Such forward-looking statements should, therefore, be construed in light of such factors. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements contained in the Meeting Materials speak only as of July 13, 2007 and Dundee REIT is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

INFORMATION CONTAINED IN THE CIRCULAR

Unless otherwise specified, all information in this Circular is current as of July 13, 2007.

No person has been authorized to give information or to make any representations in connection with the matters to be considered at the Meeting other than those contained in the Meeting Materials and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the Special Resolution or be considered to have been authorized by Dundee REIT or the board of trustees of Dundee REIT.

The Meeting Materials do not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Unitholders should not construe the contents of the Meeting Materials as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial and other matters in connection therewith as these apply to their particular circumstances.

This Circular refers to certain real estate industry statistical information which Dundee REIT has obtained from publicly available sources. While Dundee REIT believes such sources are reliable, it has not independently verified such statistical information.

DISCLAIMER

The statements made in the Meeting Materials are the responsibility of the Trustees in their capacity as trustees and not in their personal capacity and in no event shall the Trustees be personally liable for any statements contained therein nor shall resort be had to, or redress, recourse or satisfaction result from, the private and/or personal property of the Trustees.

NOTICE TO UNITHOLDERS IN THE UNITED STATES

Dundee REIT is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario, Canada. The solicitation of proxies and the Transaction involve securities of a Canadian issuer and are being effected in accordance with Canadian securities laws and the declaration of trust of Dundee REIT. The proxy rules under the U.S. Securities Exchange Act of 1934, as amended, are not applicable to Dundee REIT or this solicitation; accordingly, this solicitation is not being effected in accordance with such U.S. securities laws. Unitholders should be aware that the requirements under Canadian laws may differ from requirements under U.S. corporate and securities laws relating to U.S. corporations.

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that Dundee REIT is formed under the laws of the Province of Ontario, that all of its trustees are residents of countries other than the United States and that a substantial portion of its assets are located outside the United States. You may not be able to sue Dundee REIT or its trustees in a Canadian court for violations of U.S. securities laws. It may be difficult to compel Dundee REIT and its subsidiaries to subject themselves to a judgment of a U.S. court.

THE TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Certain information concerning the tax consequences of the Transaction for unitholders who are United States taxpayers is set forth in “Certain Canadian Federal Income Tax Considerations — Taxation of Redeeming Unitholders Not Resident in Canada”. Unitholders should be aware that the transactions contemplated herein may have tax consequences both in Canada and in the United States. Such consequences may not be described fully herein.

QUESTIONS AND REQUESTS FOR ASSISTANCE

Questions and requests for assistance may be directed to Georgeson at 1-888-605-7619 and additional copies of the Meeting Materials may be obtained without charge on request from the Depositary at Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 (1-800-564-6253 or 514-982-7555).

SUMMARY

The following is a summary of certain significant information appearing elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular and the attached Appendices. Unitholders are urged to read the Circular and the attached Appendices in their entirety.

The Special Meeting

Date, Time and Place

The Meeting will be held on Wednesday, August 15, 2007 at 10:00 a.m. (Toronto time) at the TSX Broadcast Centre — Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario.

Purpose of the Meeting

The purpose of the Meeting is for unitholders to consider and vote on the Special Resolution, substantially in the form annexed as Appendix A to this Circular, approving, among other things, the sale of Dundee REIT's portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and related assets to GE Real Estate and various amendments to the Declaration of Trust and the governing documents of Dundee REIT's subsidiaries.

The Transaction

Recommendation of the Board of Trustees

Based in part on the recommendation of the independent committee of the Board, and after giving careful consideration to a variety of factors, including the Brookfield Financial Fairness Opinion and the Blackmont Valuations and Fairness Opinion, the Board (with interested Trustees abstaining) has unanimously determined that the consummation of the Transaction is in the best interests of Dundee REIT and its unitholders and unanimously recommends that unitholders vote "**FOR**" the Special Resolution authorizing the Transaction at the Meeting.

Reasons for Recommendations of the Independent Committee and the Board

In making its recommendations to the Board, the independent committee, during the course of 13 meetings, carefully reviewed and considered all aspects of the Transaction, including the financial, legal and tax implications of the Transaction in the context of its benefits to unitholders. The following are some of the principal reasons for the independent committee's recommendation that the Board approve the Transaction and the Board's recommendation that unitholders support the Transaction and vote in favour of the Special Resolution:

Attractive Price

The Transaction contemplates the sale of the Eastern Portfolio for an attractive price and the payment of the Cash Proceeds to unitholders. In connection with the Transaction, an aggregate of up to approximately 35.5 million REIT units will be either redeemed by Dundee REIT or acquired by GE Real Estate for consideration of \$47.50 cash per unit for an aggregate payment of up to \$1.69 billion to unitholders. This represents a premium of approximately (i) 18.9% over the closing price of the Units on the TSX on June 1, 2007, the last full trading day prior to announcement of the Transaction, (ii) 19.3% over the volume weighted average trading price for the Units on the TSX during the 20 trading-day period ended June 1, 2007, (iii) 12.6% over the previous all-time high closing price on the TSX of the Units of \$42.20 on February 8, 2007, and (iv) 21.4% over the consensus net asset value (as determined by research analysts) of Dundee REIT, which is typically derived from property capitalization rates.

Attractive Investment, Experienced Management, Opportunity for Growth

Based on the advice of its financial advisors, the independent committee and the Board believe that, following the Transaction, Dundee REIT, with a portfolio of assets in Western Canada, will (i) offer an attractive investment with the potential for growth and increased distributable cash, (ii) continue to benefit from an experienced management team with a strong track record of enhancing unitholder value (iii) offer a unique investment opportunity with exposure to a portfolio centred in Western Canada, one of the fastest-growing real estate markets in North America, and (iv) benefit from the removal of certain restrictions on investment and operating policies of Dundee REIT's operating subsidiary, allowing Dundee REIT to take a more opportunistic and growth-oriented approach to enhancing unitholder value.

Lower Cost of Capital, Ability to Grow, More Flexible Governance Structure

By reducing the size of its portfolio by approximately two-thirds and maintaining ownership of assets in Western Canada, Dundee REIT expects to have a lower cost of capital and to be able to grow the remaining business in a significant and accretive way. The reduction in the size of Dundee REIT and the more flexible governance structure should provide more opportunities to create value than would exist with Dundee REIT in its current form.

Retain and Attract High Quality Management

The independent committee and the Board considered the terms of the proposed Asset Management Agreement, the form of which was extensively negotiated by the parties. The independent committee, based upon the advice of Brookfield Financial and Blackmont, concluded that the proposed form of Asset Management Agreement was on market terms. The Board believes that externalization of the asset management function in respect of the Western Portfolio will assist Dundee REIT with retaining and attracting high quality management, primarily by providing management with the flexibility to engage in activities across the real estate spectrum, such as third party asset management, and providing a more competitive, incentive-based compensation structure.

Dundee Corporation is Willing to Retain More Than Its Pro Rata Share of Units

As part of the Transaction, Dundee Corporation indicated a willingness to retain more than its pro rata share of REIT Units (including through Special Trust Units and corresponding LP Units). This will result in additional cash being available for public unitholders who wish to elect to have Dundee REIT and GE Real Estate acquire more than such unitholders' Pro Rata Percentage of REIT units.

Result of a Careful Strategic Review

The Transaction is the result of a careful strategic review conducted by the Board and the independent committee, in consultation with management and with the benefit of advice from their respective financial and outside legal advisors. The strategic review included the consideration of a number of strategic alternatives and the undertaking of an auction process in which eight qualified strategic investors and financial sponsors were invited to participate. As part of this auction process, five investors entered into confidentiality and standstill agreements and were provided with access to certain confidential financial, legal and tax information regarding Dundee REIT. Three of these investors submitted expressions of interest to Dundee REIT. With the advice of its financial advisors, the Board concluded that the Transaction represented the best value to unitholders.

Fairness Opinions

The independent committee received the Blackmont Valuations and Fairness Opinion from Blackmont, its independent financial advisor, and the Board received the Brookfield Financial Fairness Opinion from Brookfield Financial, Dundee REIT's exclusive financial advisor, each concluding that, based upon and subject to the assumptions, limitations and other considerations set forth therein, as of June 3, 2007, the consideration to be received by unitholders not subject to the Lock-Up Agreement in connection with the Transaction is fair, from a financial point of view, to such unitholders. See "The Transaction — Brookfield Financial Fairness Opinion" and "The Transaction — Blackmont Valuations and Fairness Opinion".

Valuations

Blackmont has delivered to the independent committee the Blackmont Valuations, indicating that the \$47.50 price per unit offered in connection with the Transaction exceeds the range of values of Dundee REIT, both as presently constituted and as proposed to be constituted following consummation of the Transaction. See "The Transaction — Blackmont Valuations and Fairness Opinion".

Superior Proposal Not Precluded

The terms and conditions of the Purchase Agreement, including the amount of the Termination Payment payable by Dundee REIT under certain circumstances, do not preclude a Superior Proposal or prevent the independent committee and the Board from considering and acting upon any such Superior Proposal, in accordance with the terms of the Purchase Agreement.

Unitholder Approval is Required

The Special Resolution must be approved by the affirmative vote of unitholders representing more than 66 $\frac{2}{3}$ % of REIT Units represented at the Special Meeting, and at least a simple majority of REIT Units represented at the Special Meeting other than REIT Units held by certain interested parties.

Dundee REIT Following the Transaction

Composition of the Western Portfolio

Following completion of the Transaction, Dundee REIT will continue to own real estate assets located in Western Canada valued at approximately \$1.5 billion.

The Western Portfolio consists of 35 office properties (37 buildings) comprising approximately 3.9 million square feet, excluding redevelopment properties, located in Regina, Saskatoon, Calgary, Edmonton, Yellowknife and Vancouver. These office properties can generally be categorized as high-quality, affordable, suburban and downtown buildings.

The Western Portfolio also consists of 37 prime suburban industrial and prestige industrial properties (41 buildings) comprising approximately 2.0 million square feet, concentrated in Calgary and Edmonton.

Management

Following the closing, the Western Portfolio will continue to be internally managed, with a subsidiary of Dundee REIT continuing to act as the property manager for the Western Portfolio.

DRC negotiated the form of Asset Management Agreement with Dundee REIT pursuant to which DRC will provide asset management services to Dundee REIT with respect to the Western Portfolio following the Closing. Dundee REIT's current senior management will continue to work as a team, as the Transaction contemplates that all of Dundee REIT's senior management will be transferred to DRC, which will enter into the Asset Management Agreement on Closing. Accordingly, Dundee REIT will continue to benefit from a management team that has a demonstrated track record for achieving growth and creating unitholder value.

See "The Purchase Agreement and Related Agreements — Summary of Asset Management Agreement".

Amendment of Governing Documents of Dundee REIT, Trust A, Trust B and Dundee Properties LP

In addition to authorizing the Transaction, unitholders are being asked to consider and approve various amendments to the governing documents of Dundee REIT and its subsidiaries in respect of the governance and operation of Dundee REIT, including the modification of Dundee Corporation's existing board appointment rights and significant changes to the investment guidelines and operating policies of Dundee REIT's operating subsidiary, Dundee Properties LP. See "Amendments to the Declaration of Trust and Other Governing Documents".

When Dundee REIT was established in 2003, its governing documents and those of its subsidiaries contained investment guidelines and operating policies that were consistent with those of certain other REITs in Canada at the time. With the realignment of its portfolio as a result of the Transaction, Dundee REIT believes that it is appropriate to remove or modify many of these restrictions in order to provide greater flexibility to grow the real estate activities of Dundee Properties LP and to better compete with other real estate businesses in Canada which are not subject to similar restrictions, including privately-managed funds investing or seeking to invest in real estate.

If unitholders approve the Special Resolution, including the proposed amendments to the constating documents of Dundee REIT and its subsidiaries, the principal restrictions on the operations of Dundee REIT and its subsidiaries will be those intended to ensure that Dundee REIT continues to qualify as a "mutual fund trust", a "unit trust" and a "registered investment" for Canadian tax purposes, as well as those intended to ensure that Dundee REIT qualifies as a "real estate investment trust" for the purposes of the SIFT Rules. See "Amendments to the Declaration of Trust and Other Governing Documents".

SIFT Rules

Dundee REIT intends to satisfy all of the conditions for the REIT Exception before January 1, 2008. Therefore, it is not expected that Dundee REIT will be subject to the SIFT Rules. Further, beginning January 1, 2008, Dundee REIT is not expected to be subject to the Normal Growth Guidelines. In order to satisfy all of the conditions for the REIT Exception, Dundee REIT intends to implement the REIT Exception Transactions before January 1, 2008.

Dundee REIT intends to structure any REIT Exception Transactions in a tax-efficient manner and currently expects any income or capital gains arising therefrom to be nominal; however, to the extent that any of the REIT Exception Transactions result in the realization of income or capital gains for Canadian federal income tax purposes, such amounts will be distributed to the unitholders whose REIT units are acquired pursuant to the Redemption. See “Certain Canadian Federal Income Tax Considerations”.

Significant Unitholders

Dundee Corporation and its Affiliates and management of DRC currently hold an approximate 17.7% interest in Dundee REIT. The Dundee Group has agreed to collectively elect to have 58% of its REIT units acquired pursuant to the Redemption and the Transfer with the intention that it will own an approximate 18% equity interest in Dundee REIT through its continued ownership of REIT units, LP Units and Deferred Units.

The Transaction contemplates that GE Real Estate, either directly or through its affiliates, will also hold an approximate 18% interest in Dundee REIT at closing. GE Real Estate will acquire this interest by acquiring 3,473,684 outstanding REIT units as part of the Redemption and the Transfer of REIT units at a price of \$47.50 cash per unit. See “Redemption and Transfer of REIT Units”.

Board Appointment Rights

If the Transaction is completed, Dundee REIT’s significant unitholder, Dundee Corporation, will continue to have the right to appoint up to one less than a majority of the trustees of Dundee REIT as is currently provided for in the Declaration of Trust. However, in connection with the reduction in the number of outstanding units of Dundee REIT as a result of the Redemption of units by Dundee REIT pursuant to the Transaction, the ownership level at which Dundee Corporation will cease to have such right will be changed from its current level of 4.0 million REIT Units to 2.0 million REIT Units.

Governance Practices

Dundee REIT will remain committed to maintaining high standards of governance, and will continue to refine its governance practices in light of Canadian regulatory initiatives, particularly National Policy 58-201 — Corporate Governance Guidelines, Multilateral Instrument 52-110 — Audit Committees and National Instrument 58-101 — Disclosure of Corporate Governance Practices. The Board will continue to review Dundee REIT’s governance practices on an ongoing basis in response to evolving regulatory standards.

Regulatory Matters

Competition Act Approval

The Transaction is a Notifiable Transaction and GE Real Estate plans to submit a request to the Commissioner that an ARC be issued in respect of the Transaction, together with submissions in support of such request.

The obligations of the parties to consummate the Transaction are subject to the condition that:

- (a) An ARC has been issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the Transaction;
- (b) GE Real Estate and Dundee REIT have given the notice under section 114 of the Competition Act with respect to the Transaction and the applicable waiting period under section 123 of the Competition Act has expired or been waived in accordance with the Competition Act; or
- (c) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act;

and, in the case of (b) or (c), GE Real Estate has been advised in writing by the Commissioner or a person authorized by the Commissioner that such person is of the view, at that time, that, in effect, there are not sufficient grounds to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the Transaction, and the form of and any terms and conditions attached to any such advice are acceptable to GE Real Estate and such advice has not been rescinded or amended.

Investment Canada Act Approval

The Transaction is a reviewable transaction and, accordingly, GE Real Estate has filed an Application for Review with the Investment Review Division of Industry Canada. The Minister of Industry is then required to

determine whether the reviewable transaction is likely to be of net benefit to Canada taking into account, among other things, certain factors specified in the Investment Canada Act and any written undertakings that may have been given by the applicant. The Investment Canada Act contemplates an initial review period of 45 days after filing; however, if the Minister of Industry has not completed the review by that date, he or she may unilaterally extend the review period by up to 30 days (or a longer period, if agreed to by the applicant) to permit completion of the review.

OSC Rule 61-501 and Regulation Q-27

The Transaction is a “business combination” under OSC Rule 61-501 and may constitute a “going private transaction” under Regulation Q-27. Accordingly, in addition to the approval of the Special Resolution in accordance with the Declaration of Trust, the Special Resolution must be approved by at least a simple majority of the votes cast by “minority” unitholders. Furthermore, the independent committee retained Blackmont to provide the Blackmont Valuations, which have been prepared in accordance with the requirements of OSC Rule 61-501 and Regulation Q-27 relating to the preparation of a formal valuation in the context of a business combination and going private transaction. This Circular includes the enhanced disclosure required by OSC Rule 61-501 and Regulation Q-27 for business combinations and going private transactions, respectively.

Toronto Stock Exchange

In accordance with applicable rules of the TSX, Dundee REIT has provided the TSX with notice of the proposed Redemption by Dundee REIT of REIT units and the proposed amendments to the Declaration of Trust to provide for the Redemption and the Transfer, all as described in this Circular. The TSX has pre-cleared such proposed amendments and certain other aspects of the Transaction.

Redemption and Transfer of REIT Units

Overview

The Transaction includes the payment of up to \$1.69 billion to the unitholders of Dundee REIT through the Redemption by Dundee REIT and the Transfer to GE Real Estate of outstanding REIT units at a price of \$47.50 cash per unit as described below. Pursuant to the Redemption, a fixed number of issued and outstanding REIT units will be redeemed by Dundee REIT using the cash consideration received upon the completion of the sale of the Purchased Assets. Pursuant to the Transfer, 3,473,684 issued and outstanding REIT units will be purchased by GE Real Estate for \$165 million. The Redemption and the Transfer are expected to be effective on the next business day following the Closing of the sale of the Purchased Assets.

Completion of Sale of the Purchased Assets

Dundee Properties LP and its Subsidiaries have agreed to sell the Purchased Assets to GE Real Estate on the Closing Date, for a total purchase price of approximately \$2.4 billion (subject to adjustment). The Purchased Assets include Dundee REIT’s Eastern portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and other properties located in Western Canada that Dundee REIT has agreed to sell to GE Real Estate, together with certain related assets.

On the Closing Date, the purchase price for the Purchased Assets will be satisfied by (i) the assumption by GE Real Estate of certain liabilities relating to the Purchased Assets, and (ii) cash consideration of approximately \$1.5 billion plus (A) an amount representing certain capital and development expenditures made by Dundee REIT in respect of the Eastern Undertaking prior to the Closing Date, less (B) the aggregate value ascribed to certain Holdback Properties that, due to the rights to purchase or similar rights of co-owners, joint venture partners or other third parties, such as tenants, cannot be transferred to GE Real Estate and are not sold by the Closing Date to the co-owner, joint venture partner or other third party, as the case may be.

Any cash consideration paid by GE Real Estate in respect of capital and development expenditures will not affect the cash available to Dundee REIT to effect the Redemption. However, the cash consideration will be reduced to the extent that any Holdback Properties cannot be transferred to GE Real Estate. The amount of the reduction in such cash consideration is not expected to exceed \$90 million.

In addition to being subject to the Holdback Adjustments, the purchase price for the Eastern Portfolio is also subject to both a post-closing working capital adjustment as well as a post-closing adjustment to account for changes prior to the Closing Date in the amount of mortgage debt secured by properties in the Eastern Portfolio. These

adjustments are referred to as the “**Post-Closing Adjustments**”. However, the Post-Closing Adjustments will not increase or decrease the amount of cash available to acquire REIT units pursuant to the Redemption and the Transfer.

The Closing Date will occur a few days before the end of the month in which the conditions to completion of the Transaction have been satisfied or waived. **The Closing Date is currently anticipated to be Friday, August 24, 2007, but may be postponed if any such Closing conditions are not satisfied or waived.**

Redemption and Transfer

The total number of REIT units to be acquired pursuant to the Redemption and the Transfer, which will be determined at the Time of Closing, will depend on the actual amount of cash consideration received by Dundee Properties LP and its Subsidiaries in consideration for the Purchased Assets. This cash consideration will be a maximum of approximately \$1.5 billion, but may be reduced as a result of the Holdback Adjustments. If the maximum cash consideration of \$1.5 billion is received for the sale of the Purchased Assets then, together with the 3,473,684 REIT units acquired by GE Real Estate pursuant to the Transfer, approximately 35.5 million REIT units, representing approximately 70% of the REIT units and LP Units (on a fully-diluted basis), will be acquired pursuant to the Redemption and the Transfer.

Unitholders may elect to have their Pro Rata Percentage of their REIT units acquired pursuant to the Redemption and the Transfer by making a Pro Rata Election. Unitholders who make a Pro Rata Election will have their Pro Rata Percentage of REIT units acquired for \$47.50 cash per unit, and will retain the balance of their REIT units following completion of the Redemption and the Transfer. For example, if the Pro Rata Percentage is determined to be 70% on the Closing Date, a unitholder who makes this election will receive cash in the amount of \$47.50 per unit for 70% of its REIT units, and will retain 30% of its REIT units.

As described below, unitholders may elect to retain more of their REIT units than they would otherwise retain if they made a Pro Rata Election by making a Unit Election, or alternatively may elect to have 100% of their REIT units acquired pursuant to the Redemption and the Transfer by making a Cash Election. However, unitholders who make a Unit Election may have more than their elected number of REIT units acquired in certain circumstances. Similarly, unitholders who make a Cash Election may have less than 100% of their REIT units acquired in certain circumstances, as further described below.

On the Closing Date, following the completion of the sale of the Purchased Assets to GE Real Estate, Dundee REIT will issue a news release announcing, among other things, (i) the Cash Proceeds, (ii) the aggregate number of REIT units to be acquired pursuant to the Redemption and the Transfer, and (iii) the Pro Rata Percentage. The actual aggregate number of REIT units redeemed by Dundee REIT and transferred to GE Real Estate is referred to as the “**Acquired Number of Units**”.

Completion of the Transfer of \$165 million of REIT units to GE Real Estate is conditional upon the completion of the sale of the Purchased Assets to GE Real Estate. However, the completion of the sale of the Purchased Assets to GE Real Estate is not conditional on the completion of the Transfer. Accordingly, it is possible that the completion of the sale of the Purchased Assets could occur without the completion of the Transfer. In these circumstances, the total number of issued and outstanding REIT units acquired will be limited to the Redemption Number of Units. The Purchase Agreement contains separate “material adverse change” provisions relating to the Western Undertaking of Dundee REIT and to the undertaking of Dundee REIT as a whole. Completion of the Transfer is conditional on there not having occurred a material adverse change relating to the Western Undertaking of Dundee REIT.

If the Special Resolution is approved by unitholders, the Redemption and the Transfer are currently expected to become effective on Monday, August 27, 2007, but will be postponed if the completion of the sale of the Purchased Assets does not occur as anticipated on Friday, August 24, 2007.

Mechanics of Redemption and Transfer and Procedures for Elections

Effective Time

The Redemption and the Transfer will be effective upon the delivery of the Acquisition Notice by Dundee REIT to the Depository, which delivery will be deemed to be delivery of the Acquisition Notice to each holder of

REIT units. The time of delivery of the Acquisition Notice, being the Effective Time, is expected to occur at 8:00 a.m. (Toronto time) on the next business day following the completion of the sale of the Purchased Assets to GE Real Estate.

At or shortly after the Effective Time, Dundee REIT will issue a news release announcing the results of the Redemption and the Transfer, including the actual percentage of REIT units acquired from unitholders who made a Unit Election or a Cash Election.

Elections

Unitholders will be entitled to elect to have (i) none, (ii) 25%, (iii) 50%, (iv) 58%, (v) their Pro Rata Percentage, or (vi) 100% of their outstanding REIT units acquired by Dundee REIT and GE Real Estate at \$47.50 cash per unit, subject to the requirement that the Acquired Number of Units will be and must be acquired, and subject to proration in certain circumstances as described below. **Unitholders who do not make an election before the Election Time will be deemed to have elected to have none of their REIT units acquired pursuant to the Redemption and the Transfer.**

Registered unitholders who wish to make an election must deliver a completed and validly executed Letter of Transmittal and Election Form to the Depositary by 5:00 p.m. (Toronto time) on the Closing Date (the “Election Time”). A Letter of Transmittal and Election Form must be completed and delivered in the manner described therein. Please refer to the instructions set out in the Letter of Transmittal and Election Form.

Unitholders Making a Pro Rata Election

Unitholders who elect to have their Pro Rata Percentage of REIT units acquired will receive cash in the amount of \$47.50 per unit for their Pro Rata Percentage of REIT units acquired pursuant to the Redemption and the Transfer, and will retain the balance of their REIT units.

Unitholders Making a Unit Election

Unitholders who elect to have their REIT units acquired pursuant to a Unit Election will receive cash in the amount of \$47.50 for none, 25%, 50% or 58% of their REIT units, and will retain the balance of their REIT units. However, if the Elected Number of Units is less than the Acquired Number of Units, those unitholders who made a Unit Election and those unitholders who made no election and are therefore deemed to have elected to have none of their REIT units acquired will be subject to a pro rata redemption and transfer of additional REIT units such that the Acquired Number of Units are acquired pursuant to the Redemption and the Transfer. Only holders of REIT units and LP Units who made a Unit Election will be subject to the acquisition of additional REIT units in these circumstances.

Unitholders Making a Cash Election

Unitholders who elect to have 100% of their REIT units acquired pursuant to a Cash Election will receive cash in the amount of \$47.50 per unit for all of their REIT units, unless the Elected Number of Units exceeds the Acquired Number of Units. In these circumstances, the number of REIT units acquired from holders making a Cash Election pursuant to the Redemption and the Transfer will be subject to proration such that the Acquired Number of Units are acquired pursuant to the Redemption and the Transfer. Only unitholders who made a Cash Election will be subject to proration in these circumstances.

Effect of the Redemption and Transfer

From and after the date of acquisition of REIT units pursuant to the Redemption and the Transfer, holders of any acquired REIT units (including REIT units to be obtained upon the surrender or exchange of LP Units, as applicable) will cease to be holders of such REIT units and will not be entitled to exercise any of the rights of a holder of such REIT units other than the right to receive \$47.50 cash per formerly held REIT unit, to be paid to the holder upon delivery of a completed and validly executed Letter of Transmittal and Election Form accompanied by the certificates representing the formerly held REIT units.

Unitholders will not be able to elect whether their REIT units are redeemed by Dundee REIT or transferred to GE Real Estate. Rather, each holder of REIT units subject to the Redemption and the Transfer shall be deemed to have had a percentage (expected to be approximately 90%) of its REIT units redeemed by Dundee REIT and to have transferred a percentage (expected to be approximately 10%) of its REIT units to GE Real Estate. The Canadian

federal income tax consequences of the Redemption differ from the Canadian federal income tax consequences of the Transfer. See “Certain Canadian Federal Income Tax Considerations”.

Payment and Delivery of New Unit Certificates

The amount of \$47.50 cash per REIT unit acquired pursuant to the Redemption and the Transfer, net of any applicable withholding taxes, will be paid by cheque issued to the order of the person signing the relevant Letter of Transmittal and Election Form or to the order of such other person as identified by the person signing such Letter of Transmittal and Election Form, by properly completing the box captioned “Special Payment Instructions” in such Letter of Transmittal and Election Form and forwarded to such person by first-class mail (unless the person signing the Letter of Transmittal and Election Form instructs the Depository to hold such cheque for pick-up). In the absence of an address being provided, cheques will be forwarded to the address of the person as shown on the unit register for REIT units.

Special Considerations for Participants in the Distribution Reinvestment Plan and Holders of Other Securities

Distribution Reinvestment Plan Participants

In connection with the Transaction, the Distribution Reinvestment Plan was temporarily suspended effective as of June 28, 2007. The Distribution Reinvestment Plan is anticipated to be reinstated in January 2008.

Computershare Trust Company of Canada, the Plan Agent who administers the Distribution Reinvestment Plan, is not authorized to make elections or surrender REIT units on behalf of any participants. **Unitholders who are participants in the Distribution Reinvestment Plan must terminate their participation in the Distribution Reinvestment Plan in order to surrender any of their REIT units (including REIT units not held in the Distribution Reinvestment Plan) and make an election in respect thereof in accordance with the Letter of Transmittal and Election Form.** This is because holders wishing to make an election with respect to the Redemption and the Transfer must surrender all of their REIT units held. **Failure to terminate participation in the Distribution Reinvestment Plan will invalidate any election in respect of REIT units to be acquired pursuant to the Redemption and the Transfer with the consequence that the holder will be deemed to have elected to have none of its REIT units acquired.** Registered unitholders who are participants in the Distribution Reinvestment Plan may terminate their participation in the Distribution Reinvestment Plan by checking the appropriate box on the Letter of Transmittal and Election Form or contacting the Plan Agent.

Non-registered unitholders who are enrolled in the Distribution Reinvestment Plan are strongly encouraged to contact their intermediaries through which they hold REIT units in order to obtain instructions as to how to terminate their participation in the Distribution Reinvestment Plan and make an election in respect of the Redemption and the Transfer.

Holders of Convertible Debentures

Dundee REIT currently has two series of outstanding debentures which are convertible into Units in accordance with their terms, being the 5.7% Debentures and the 6.5% Debentures.

The 5.7% Debentures and the 6.5% Debentures will not be acquired, repaid or modified pursuant to the Redemption and the Transfer, and will remain outstanding following completion of the Redemption and the Transfer, except to the extent that holders exercise the conversion rights of such Debentures and obtain Units in accordance with their terms. Dundee REIT will remain fully liable under the Debentures and each Debenture will continue to be convertible into Units at the option of the holder in accordance with its terms following the completion of the Redemption and the Transfer.

Holders of 5.7% Debentures and 6.5% Debentures are advised that any conversion of such debentures in accordance with their terms will be irrevocable, irrespective of whether the sale of the Purchased Assets to GE Real Estate and the Redemption and the Transfer are completed, and irrespective of whether all of the Units acquired upon a conversion of such debentures are acquired pursuant to the Redemption and the Transfer.

Information Regarding GE Real Estate

GE Real Estate, a business unit of GE Commercial Finance, is one of the world’s premier commercial real estate companies with more than US\$59 billion in assets and a presence in 28 countries throughout North America,

Europe, Asia, and Australia/New Zealand. Backed by General Electric Company's AAA rating, GE Real Estate offers a comprehensive range of capital and investment solutions including equity capital for acquisition or development, as well as fixed and floating rate mortgages for new acquisitions or re-capitalizations of commercial real estate.

Certain Canadian Federal Income Tax Considerations

For a summary of the principal Canadian federal income tax considerations of the Transaction, see "Certain Canadian Federal Income Tax Considerations". This summary is of a general nature only and is not intended to be legal or tax advice to any particular unitholder. Unitholders should be aware that the Transaction may have tax consequences not fully described therein and should consult their own tax advisors with respect to their particular circumstances.

THE SPECIAL MEETING

Management of Dundee REIT is using this Circular to solicit proxies from unitholders for use at the Meeting to be held on August 15, 2007.

Date, Time and Place

The Meeting will be held on Wednesday, August 15, 2007 at 10:00 a.m. (Toronto time) at the TSX Broadcast Centre — Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario.

Purpose of the Meeting

The purpose of the Meeting is for unitholders:

1. to consider and vote on the Special Resolution, substantially in the form annexed as Appendix A to this Circular, approving:
 - (a) the sale of Dundee REIT's portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and related assets to GE Real Estate pursuant to and on the terms and subject to the conditions set forth in the Purchase Agreement, as amended;
 - (b) the amendment of the Declaration of Trust and the governing documents of Dundee REIT's subsidiaries to provide for and effect the redemption by Dundee REIT of outstanding units using the cash proceeds received on closing of the sale of its portfolio of real estate assets and the transfer of 3,473,684 REIT units to GE Real Estate, in each case for \$47.50 cash per unit; and
 - (c) the amendment of the Declaration of Trust and the governing documents of Dundee REIT's subsidiaries in respect of the governance and operation of Dundee REIT, including the modification of Dundee Corporation's existing board appointment rights and significant changes to the investment guidelines and operating policies of Dundee REIT and its subsidiaries in order to remove or modify many of the restrictions on investments, indebtedness and other activities; and
2. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Record Date

The Trustees have fixed July 12, 2007 as the record date for the determination of unitholders of Dundee REIT entitled to receive notice of and vote at the Meeting. Unitholders of record at the close of business on that date will be entitled to vote at the Meeting, even if they have sold their REIT Units since the record date. Accordingly, any holder acquiring REIT Units after the record date will not be entitled to receive notice of or vote those REIT Units at the Meeting.

Voting Units

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: REIT units and Special Trust Units. REIT units are issuable in two series: REIT Units, Series A ("Units") and REIT Units, Series B. As at July 12, 2007, there were 41,605,282 Units and no REIT Units, Series B outstanding.

Special Trust Units may be issued only to holders of certain limited partnership units of Dundee Properties LP, and allow persons holding those limited partnership units to vote on matters relating to Dundee REIT. As at July 12, 2007, there were 7,893,687 Special Trust Units outstanding.

Each Unit, REIT Unit, Series B and Special Trust Unit entitles the holder of record to one vote per unit on each matter to be acted upon at the Meeting, including the Special Resolution. If you were a unitholder at the close of business on July 12, 2007, the Meeting Record Date, you are entitled to vote at the Meeting.

Voting REIT Units Outstanding as at July 12, 2007

REIT Units, Series A	41,605,282
REIT Units, Series B	—
Special Trust Units	<u>7,893,687</u>
Total Voting REIT Units Outstanding	<u>49,498,969</u>

Principal Holders of Voting Securities

To the knowledge of the Trustees and executive officers of Dundee REIT, the only person or company that beneficially owns, directly or indirectly, or controls or directs, voting securities of Dundee REIT carrying 10% or more of the voting rights attached to any class of outstanding voting securities of Dundee REIT as at July 12, 2007 is as outlined in the table below.

Principal Unitholder

<u>Name and Municipality of Residence</u>	<u>Number and Class of Units</u>	<u>Percentage of Outstanding Class</u>
Dundee Corporation, directly and indirectly through its Subsidiaries Toronto, Ontario	7,893,687 Special Trust Units	100% (representing 16% of the outstanding voting securities of Dundee REIT)
	69,656 REIT Units, Series A	0.2% (representing 0.1% of the outstanding voting securities of Dundee REIT)

Management understands that the Units registered in the name of CDS & Co. are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such Units are not known to Dundee REIT. Except as set out above, the Trustees and executive officers of Dundee REIT have no knowledge of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding REIT Units.

Quorum and Votes Required

Under the Declaration of Trust, the quorum necessary for any meeting of unitholders is two individuals present being unitholders or representing unitholders by proxy who hold in the aggregate not less than 10% of the votes attached to all outstanding REIT Units (on a fully diluted basis).

In order for the Special Resolution to be adopted, it must be approved by at least 66 $\frac{2}{3}$ % of the votes cast at the Meeting by holders of REIT Units. In addition, the Special Resolution must be approved by at least a simple majority of the votes cast at the Meeting by “minority” unitholders, as determined in accordance with applicable law.

If Unitholder Approval is not obtained, the Transaction will not proceed and the Purchase Agreement may be terminated by either Dundee REIT or GE Real Estate. Upon termination of the Purchase Agreement in such circumstances, Dundee REIT would be required to pay \$2.75 million to GE Real Estate and could, in certain circumstances, be required to pay GE Real Estate an additional \$52.25 million if, within 12 months of such termination, Dundee REIT or any of its Subsidiaries consummates an Acquisition Proposal or enters into an agreement with respect to an Acquisition Proposal. See “The Purchase Agreement and Related Agreements — Summary of the Purchase Agreement — Termination Payment”.

Your vote is important — approval of the Special Resolution is necessary in order to complete the Transaction.

Recommendation of the Board of Trustees

Based in part on the recommendation of the independent committee of the Board, and after giving careful consideration to a variety of factors, including the Brookfield Financial Fairness Opinion and the Blackmont Valuations and Fairness Opinion, the Board (with interested Trustees abstaining) has unanimously determined that the consummation of the Transaction is in the best interests of Dundee REIT and its unitholders and unanimously recommends that unitholders support the Transaction and vote “**FOR**” the Special Resolution authorizing the proposed Transaction at the Meeting.

How to Vote Your REIT Units

For Registered Holders

If you are a registered holder of REIT Units (that is, you have a unit certificate registered in your name), you may vote in person at the Meeting or you may appoint another person to represent you as proxyholder and vote

your REIT Units at the Meeting. Whether or not you plan to attend the Meeting in person, you are requested to vote your units. If you wish to vote by proxy, you should complete and return the enclosed form of proxy.

You may appoint a person to represent you as proxyholder, and provide your voting instructions to that person, in one of the following ways:

- (a) *By Mail.* You may vote by completing, signing (by you, or by your attorney authorized in writing, or if you are a corporation, by a duly authorized officer or attorney) and dating (with the date on which it is executed) the form of proxy accompanying this Circular and returning it in the postage-paid envelope that is also provided to the Transfer Agent by mail at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.
- (b) *By Facsimile.* You may vote by completing, signing (by you, or by your attorney authorized in writing, or if you are a corporation, by a duly authorized officer or attorney) and dating (with the date on which it is executed) the form of proxy accompanying this Circular and returning it to the Transfer Agent by facsimile at (416) 263-9524 or 1-866-249-7775.
- (c) *By Telephone.* You may vote by dialling the toll-free number set out in the form of proxy accompanying this Circular using a touch-tone telephone within North America. You will be asked to provide your control number, holder account number and access number, all of which are located at the bottom of the form of proxy accompanying this Circular, in order to verify your identity.
- (d) *By Internet.* You may vote by logging on to the following website: www.investorvote.com. Once you have accessed this website, you will be asked to provide your control number, holder account number and access number, all of which are located at the bottom of the form of proxy accompanying this Circular, in order to verify your identity.

To be valid, your proxy must be received by the Transfer Agent prior to 4:00 p.m. (Toronto time) on the second last Business Day preceding the date of the Meeting. The Chairman of the Meeting may waive, in his discretion, the time limit for the deposit of proxies by unitholders if he deems it advisable to do so.

The individuals named in the form of proxy are representatives of Dundee REIT. **You have the right to appoint someone else to represent you at the Meeting, but only if you provide that instruction on the form of proxy and deposit your proxy by mail or facsimile (as making such an appointment is not available by telephone or internet). If you wish to appoint someone else to represent you at the Meeting, you must strike out the names of the persons named in the proxy and insert that other person's name in the blank space in the form of proxy. The person you appoint to represent you at the Meeting need not be a unitholder.**

For Non-Registered Holders

If your REIT Units are registered in the name of a depository (such as CDS) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan), you are a non-registered holder.

If you are a non-registered holder, you should follow the instructions in the request for voting instructions or form of proxy that you received from your intermediary. You should also follow the instructions for voting by mail, facsimile, telephone or internet that you received from your intermediary and contact your intermediary promptly if you need assistance.

Only registered owners of REIT Units, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. If you are a non-registered owner, you are entitled to direct how the REIT Units beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at the Meeting.

Since Dundee REIT generally does not have access to the names of its non-registered owners, if you wish to attend the Meeting and vote in person (or have another person attend and vote on your behalf), you should insert your own name (or the other person's name) in the blank space provided in the request for voting instructions or form of proxy to appoint yourself (or the other person) as proxyholder and then follow your intermediary's instructions for returning the request for voting instructions or form of proxy. You (or the other person) must register with the Transfer Agent when you arrive at the Meeting.

Voting of Proxies

If voting instructions are given on your form of proxy or request for voting instructions, then your proxyholder must vote your REIT Units in accordance with those instructions. If no voting instructions are given, then your proxyholder may vote your REIT Units as he or she sees fit. **If you appoint the proxyholders named on the attached form of proxy, who are representatives of Dundee REIT, and do not specify how they should vote your REIT Units, then your REIT Units will be voted “FOR” the Special Resolution.**

The representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. As of the date of this Circular, Dundee REIT is not aware of any amendments or variations to these matters or any other matter to be presented at the Meeting. If any other matter should properly be presented at the Meeting, your proxyholder will have the discretion to vote your REIT Units in accordance with his or her best judgment.

Proxies returned by intermediaries as “non-votes” on behalf of REIT Units held in street name, because the beneficial unitholder has not provided voting instructions or the intermediary does not have the discretion to vote such REIT Units, will be treated as present for purposes of determining a quorum but will not be counted as having been voted in respect of any such matter. As a result, such proxies will have no effect on the outcome of the vote.

If You Change Your Mind

If you are a registered unitholder and have submitted a proxy and later wish to revoke it, you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with the Transfer Agent as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf) (i) at the registered office of Dundee REIT at any time up to 4:00 p.m. (Toronto time) on the second last Business Day preceding the date of the Meeting at which the proxy is to be used, or (ii) with the Chair of the Meeting on the day of the Meeting before the Meeting starts;
- (c) electronically transmitting your revocation in a manner permitted by law, provided that the revocation is received (i) at the registered office of Dundee REIT at any time up to 4:00 p.m. (Toronto time) on the second last Business Day preceding the date of the Meeting at which the proxy is to be used, or (ii) by the Chair of the Meeting on the day of the Meeting before the Meeting starts; or
- (d) following any other procedure that is permitted by law.

Only registered unitholders have the right to revoke a proxy. Non-registered unitholders who wish to change their vote must make appropriate arrangements with their respective dealers or other intermediaries.

Solicitation of Proxies

It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by representatives of Dundee REIT and by Georgeson. Georgeson is acting as the proxy solicitation agent for Dundee REIT, for which it will be paid a fee of approximately \$50,000. Georgeson will also be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities that may arise out of the performance of its obligations as proxy solicitation agent. The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of the management of Dundee REIT. The total cost of the solicitation of proxies in connection with the Transaction will be borne by Dundee REIT. In the event that the Transaction is completed, GE Real Estate has agreed to be responsible for two-thirds of certain agreed-upon transaction costs relating to the Transaction (see “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Fees and Expenses”)

THE TRANSACTION

Background to the Transaction

Dundee REIT was formed in 2003 as part of the reorganization of DRC pursuant to which the commercial revenue producing properties of DRC were transferred to a real estate investment trust. Since its inception, Dundee REIT has grown significantly, more than doubling its total assets and nearly doubling its total revenues since the time of acquiring its properties from DRC.

In 2006, the trading price of Dundee REIT's Units on the TSX increased from \$25.70 at the start of the year to \$38.65 by the end of the year. At this increased price, the Units of Dundee REIT were trading at a similar premium to net asset value as the units of some of the largest real estate investment trusts in Canada. This higher unit price, together with three new equity issues in 2006, resulted in an increase in Dundee REIT's market capitalization from \$740 million at the end of December 2005 to \$1.7 billion at the end of December 2006. By comparison, Dundee REIT's market capitalization was approximately \$330 million at the time of its listing on the TSX in June 2003.

Capitalization rates on acquisitions in the industry have declined. In 2003, Dundee REIT's acquisitions were completed at an average capitalization rate of 9.1%; more recent acquisitions in 2007 have been completed at a 6.5% capitalization rate. This decrease in capitalization rates, together with the market value of Dundee REIT's units, led management to consider, beginning in 2006, the extent of the potential for additional growth of Dundee REIT.

On October 31, 2006, the Minister of Finance announced a proposal that led to the SIFT Rules. Certain real estate investment trusts that satisfy the REIT Exception are excluded from the definition of a SIFT and therefore are not subject to the SIFT Rules.

Although the announcement of the proposal by the Minister of Finance had a favourable impact on the trading price of Dundee REIT's Units, management nevertheless had concerns regarding the restrictive nature of the requisite conditions under the SIFT Rules to qualify for the REIT Exception. In particular, management had concerns that the SIFT Rules would prevent Dundee REIT from structuring itself in a manner that would allow it to compete on a level playing field with other real estate businesses in Canada in certain areas such as acquisitions, scope of activities and management structure.

In light of the market value of Dundee REIT's Units and the Minister of Finance's announcement of the proposal, beginning in December 2006, the Board commenced a series of meetings with management to discuss and review management's view of the status of Dundee REIT's activities, potential for growth and strategic plan and the Board and management began to consider alternatives for maximizing value for Dundee REIT's unitholders. The Board engaged Brookfield Financial to advise it with respect to the strategic review process. The Board and management reviewed various proposed long-term strategies, including status quo growth and the potential for a value maximizing transaction.

At a meeting of the Board on February 22, 2007, the Board reviewed a number of possible strategic alternatives. After detailed discussion, the Board determined that a strategic sale process might result in a transaction offering a significant premium to the then current trading price of the Units, as well as an attractive absolute value for the undertaking of Dundee REIT. On that basis, the Board decided to explore the sale of the units or of the assets of Dundee REIT to a strategic industry buyer or a financial sponsor through a confidential auction process, while continuing to consider other strategic alternatives.

In connection with considering the possible sale of Dundee REIT, some preliminary consideration was given to the creation of a new investment vehicle to be managed by the current management of Dundee REIT in which unitholders could invest their proceeds and thereby continue to benefit from the performance of the current management team of Dundee REIT. As conceived, the new entity would be externally managed in order to allow management the flexibility to operate in the full spectrum of real estate activities.

From February 23, 2007 through March 19, 2007, Brookfield Financial, at the direction of the Board, approached a number of potential third party investors on a confidential basis, targeted on the basis of their financial capacity, willingness to transact and anticipated interest in Dundee REIT's platform and assets. Given the large market capitalization and size of Dundee REIT, the number of potential third parties with the capability to execute a transaction involving Dundee REIT was considered to be somewhat limited. In total, eight qualified investors were approached.

The eight investors were asked to consider an acquisition of Dundee REIT or any other value-maximizing strategic transactions that would benefit Dundee REIT's unitholders. The eight investors were advised that management of Dundee REIT remained positive about the prospects for Canadian real estate, and therefore anticipated that they would continue to be actively involved in the Canadian real estate industry.

The eight qualified investors were invited to execute and deliver confidentiality agreements in order to receive access to certain confidential information in respect of Dundee REIT. However, Brookfield Financial advised each of the eight qualified investors to the effect that, in order to be considered, any indicative offers submitted in respect of a possible purchase of Dundee REIT or its assets should reflect a premium of no less than 10% above the 52 week high trading price of the Units. The eight qualified investors were further advised that this was the minimum premium at which Dundee Corporation would be likely to support or tender to a sale transaction. Following these instructions, five of the eight qualified investors executed and delivered to Dundee REIT confidentiality agreements which contained standstill covenants.

On and after March 19, 2007, the five investors that entered into confidentiality agreements were granted limited access to certain confidential information in respect of Dundee REIT. Participants in this "Phase I" of the process were advised that, in order to be admitted to "Phase II" of the process, including gaining access to a comprehensive set of due diligence materials, they would be required to submit non-binding expressions of interest by April 2, 2007, indicating the price at which they might be prepared to enter into a transaction involving the purchase of the units of Dundee REIT.

During the month of March 2007, management continued to consider alternatives for creating a new vehicle in which unitholders of Dundee REIT could invest a portion of the proceeds received in connection with a sale of Dundee REIT or all of its assets. The fact that the new vehicle would initially have limited or no real estate assets, however, created certain challenges from a structuring point of view.

On April 2, 2007, Dundee REIT received indications of interest from certain of the investors granted access to "Phase I" due diligence materials, with one of the indications of interest being from GE Real Estate.

During the week of April 2, 2007, GE Real Estate, management of Dundee REIT and Brookfield Financial held preliminary discussions regarding the manner in which the management of Dundee REIT would be engaged to manage the assets acquired by GE Real Estate in the event of a sale transaction, following which GE Real Estate proposed, on a preliminary basis, certain terms of a possible arrangement pursuant to which management would provide asset management services to GE Real Estate.

On April 6, 2007, GE Real Estate was granted access to comprehensive "Phase II" confidential due diligence materials in respect of Dundee REIT, including access to an electronic data room containing detailed information regarding properties and financial, legal, and operating records and information of Dundee REIT, and access to management and Dundee REIT's properties.

On April 8, 2007, another expression of interest was received from a potential investor, indicating a willingness to enter into a strategic transaction, but on terms that were not as attractive as the expression of interest received from GE Real Estate.

Brookfield Financial analyzed the indications of interest and subsequently advised the Board that the written indication of interest received from GE Real Estate, which was based upon its extensive analysis of the confidential material and which expressed an interest in purchasing all of the Units of Dundee REIT at a price of \$47.00 per Unit, was more attractive than the other expressions of interest received. While other investors expressed an interest in purchasing all of the Units of Dundee REIT, those expressions were on terms that were not as attractive as that submitted by GE Real Estate. In its proposal, GE Real Estate expressed an interest in retaining the current management of Dundee REIT.

In early April 2007, GE Real Estate also proposed that it be granted the right to negotiate exclusively with Dundee REIT with respect to a potential transaction. Management of Dundee REIT proposed to GE Real Estate that, based on the strategic fit between the two companies, it could recommend to the Board that Dundee REIT negotiate exclusively with GE Real Estate provided that GE Real Estate's indicative offer price was increased. Accordingly, on April 10, 2007, GE Real Estate indicated that it was willing to increase its proposed offer to the equivalent of \$47.50 cash per Unit on the basis of a transaction involving a purchase of the assets of Dundee REIT. In connection with this proposal, GE Real Estate requested the right to negotiate exclusively with Dundee REIT until May 17, 2007.

On April 11, 2007, the Board formed an independent committee, comprised of Messrs Duncan Jackman, Detlef Bierbaum and Peter Crossgrove (as Chair), in order to oversee the strategic review process, including negotiations with GE Real Estate in respect of the Transaction, and to make recommendations to the Board in respect thereof at the appropriate time. The independent committee engaged Fasken Martineau as its legal counsel to assist it in the performance of its functions.

On April 13, 2007, the independent committee authorized Dundee REIT to enter into an exclusivity agreement with GE Real Estate, granting GE Real Estate the right to negotiate exclusively with Dundee REIT in respect of a possible transaction from April 17, 2007 until April 30, 2007. During the course of these exclusive negotiations, Dundee REIT and GE Real Estate discussed possible transaction structures.

On April 20, 2007, at a meeting held between representatives of GE Real Estate, management of Dundee REIT and Brookfield Financial, GE Real Estate indicated that it wished to sell a portion of Dundee REIT's portfolio having a fair market value of between approximately \$1 billion and \$1.5 billion. Management of Dundee REIT advised GE Real Estate that Dundee REIT would not agree to any sales efforts involving other parties in respect of Dundee REIT's assets prior to completion of a sale transaction involving GE Real Estate.

Following a lengthy series of discussions, representatives of Dundee REIT and GE Real Estate proposed to restructure the transaction by dividing Dundee REIT's properties into Western and Eastern portfolios. Under this proposed structure, GE Real Estate would acquire a portfolio of properties located primarily in central and Eastern Canada, and the properties located in Western Canada would be retained by Dundee REIT. Unitholders would receive the Cash Proceeds of sale of the Eastern Portfolio in an amount corresponding to \$47.50 cash per Unit and GE Real Estate would also agree to make an equity investment in Dundee REIT. The transaction contemplated that management, through DRC, would provide asset management services to GE Real Estate in respect of the Eastern Portfolio.

The continuation of Dundee REIT as a real estate investment trust as contemplated by the restructured transaction facilitated further consideration of a structure to allow unitholders of Dundee REIT to retain an interest in an entity managed by the current management of Dundee REIT. Accordingly, management continued to evaluate the prospects for Dundee REIT following the sale of the Eastern Portfolio.

Management determined that, in order for Dundee REIT to be viable following the sale of assets to GE Real Estate, Dundee REIT would need approximately \$900 million of equity. Based on indications from GE Real Estate that it would be willing to invest \$165 million in the equity of Dundee REIT, as well as indications from the Dundee Group that it would be willing to collectively maintain a minimum investment of \$165 million in the equity of Dundee REIT, management determined that Dundee REIT would need to retain approximately \$600 million of its currently existing equity following the completion of a transaction with GE Real Estate. Management believed that this could be achieved by an acquisition in some form of a certain number of the outstanding units of Dundee REIT, using the proceeds of sale of the Eastern Portfolio and the proceeds of GE Real Estate's \$165 million investment, leaving the balance of the units of Dundee REIT outstanding.

From late April through the end of May 2007, GE Real Estate continued to conduct extensive due diligence in respect of the assets of Dundee REIT while the parties engaged in frequent negotiations in an effort to address business issues relating to the valuation of Dundee REIT's assets, the allocation of such assets between the Western Portfolio and the Eastern Portfolio and the structure of the transaction. Such discussions and negotiations continued notwithstanding that GE Real Estate's right of exclusivity had expired on April 30, 2007. Throughout this period, the independent committee met with management, Brookfield Financial and Fasken Martineau on numerous occasions in order to receive updates on the status of negotiations with GE Real Estate in respect of the Transaction.

On May 17, 2007, GE Real Estate informed Dundee REIT that it had received its requisite internal approvals in principle to proceed with a transaction within certain undisclosed parameters, conditional upon the resolution of outstanding business issues, including the valuation of Dundee REIT's assets, the structure of the transaction and the negotiation of definitive documentation. On May 23, 2007, the independent committee authorized Dundee REIT to enter into a further period of exclusivity with GE Real Estate, from May 23, 2007 until June 4, 2007.

As discussions regarding the structure of the Transaction proceeded, the parties determined that the Transaction could be subject to a requirement under applicable securities laws for a formal valuation. Accordingly, on May 25, 2007, the independent committee engaged Blackmont to prepare formal valuations under the supervision of the

independent committee and to deliver an independent opinion as to the fairness of the Transaction, from a financial point of view, to unitholders.

Throughout the next ten days, representatives of GE Real Estate, management of Dundee REIT and Brookfield Financial negotiated outstanding business issues in respect of the Transaction and held frequent meetings in order to settle the definitive documentation, including the Purchase Agreement and other related agreements reflecting the terms of the Transaction. Negotiations also continued with respect to the form of agreement pursuant to which management, through DRC, would provide asset management services to GE Real Estate in respect of the Eastern Portfolio.

On the morning of June 3, 2007, the independent committee met with Blackmont, Brookfield Financial and Fasken Martineau in order to receive reports as to the status of the Transaction and the state of the definitive documentation. At this meeting, each of Blackmont and Brookfield Financial delivered to the independent committee its oral opinion as to the fairness of the consideration to be received pursuant to the Transaction, from a financial point of view, to unitholders (other than those subject to the Lock-Up Agreement), each subject to certain assumptions, qualifications and limitations. In addition, Blackmont provided the independent committee with a verbal indication of the range of values of Dundee REIT, both as presently constituted and as proposed to be constituted following consummation of the Transaction. The \$47.50 price per unit offered in connection with the Transaction was, in both cases, above the range of values indicated by Blackmont. Finally, Fasken Martineau advised the independent committee that it had reviewed and commented upon several drafts of the various definitive documents, including the Purchase Agreement, the form of asset management agreement between DRC and GE Real Estate, the form of Asset Management Agreement and other ancillary agreements, and that such definitive documents were in reasonable condition, subject to the resolution of matters that were expected to be resolved later that day. In light of all of the foregoing, and after thorough discussion involving the financial, legal and tax implications of the Transaction in the context of its benefits to unitholders, the independent committee unanimously resolved to recommend to the Board that it approve the Transaction and recommend to unitholders that they support the Transaction and vote in favour of the Special Resolution.

Later on June 3, 2007, following the meeting of the independent committee, a meeting of the Board was held in order to receive the recommendation of the independent committee and to consider the Transaction. Following receipt of the recommendation of the independent committee and its own discussion regarding the financial, legal and tax implications of the Transaction in the context of its benefits to unitholders, the Board unanimously resolved (with each of Michael Cooper, Joanne Ferstman, David Goodman and Ned Goodman declaring an interest and abstaining from voting due to a potential conflict of interest resulting from their respective relationships with Dundee Corporation and DRC) to approve the Transaction and to recommend that unitholders support the Transaction and vote in favour of the Special Resolution.

The form of asset management agreement between DRC and GE Real Estate and the form of Asset Management Agreement were settled as part of the final negotiations on the terms of the Transaction. The Purchase Agreement and certain other ancillary agreements were finalized and executed following negotiations that lasted throughout the afternoon and evening of June 3, 2007 and into the morning of June 4, 2007, immediately following which the Transaction was announced on the morning of June 4, 2007.

Reasons for Recommendations of the Independent Committee and the Board

In making its recommendations to the Board, the independent committee, during the course of 13 meetings, carefully reviewed and considered all aspects of the Transaction, including the financial, legal and tax implications of the Transaction in the context of its benefits to unitholders. The following are some of the principal reasons for the independent committee's recommendation that the Board approve the Transaction and the Board's recommendation that unitholders support the Transaction and vote in favour of the Special Resolution:

Attractive Price

The Transaction contemplates the sale of the Eastern Portfolio for an attractive price and the payment of the Cash Proceeds to unitholders. In connection with the Transaction, an aggregate of up to approximately 35.5 million REIT units will be either redeemed by Dundee REIT or acquired by GE Real Estate for consideration of \$47.50 cash per unit for an aggregate payment of up to \$1.69 billion to unitholders. This represents a premium of approximately (i) 18.9% over the closing price of the Units on the TSX on June 1, 2007, the last full trading day prior to announcement of the Transaction, (ii) 19.3% over the volume weighted average trading price for the Units

on the TSX during the 20 trading-day period ended June 1, 2007, (iii) 12.6% over the previous all-time high closing price on the TSX of the Units of \$42.20 on February 8, 2007, and (iv) 21.4% over the consensus net asset value (as determined by research analysts) of Dundee REIT, which is typically derived from property capitalization rates.

Attractive Investment, Experienced Management, Opportunity for Growth

Based on the advice of its financial advisors, the independent committee and the Board believe that, following the Transaction, Dundee REIT, with a portfolio of assets in Western Canada, will (i) offer an attractive investment with the potential for growth and increased distributable cash, (ii) continue to benefit from an experienced management team with a strong track record of enhancing unitholder value (iii) offer a unique investment opportunity with exposure to a portfolio centred in Western Canada, one of the fastest-growing real estate markets in North America, and (iv) benefit from the removal of certain restrictions on investment and operating policies of Dundee REIT's operating subsidiary, allowing Dundee REIT to take a more opportunistic and growth-oriented approach to enhancing unitholder value.

Lower Cost of Capital, Ability to Grow, More Flexible Governance Structure

By reducing the size of its portfolio by approximately two thirds and maintaining ownership of assets in Western Canada, Dundee REIT expects to have a lower cost of capital and to be able to grow the remaining business in a significant and accretive way. The reduction in the size of Dundee REIT and more flexible governance structure should provide more opportunities for management to create value than would exist with Dundee REIT in its current form.

Retain and Attract High Quality Management

The independent committee considered the terms of the proposed Asset Management Agreement, the form of which was extensively negotiated by the parties. The independent committee concluded that the proposed form of Asset Management Agreement was on market terms. The Board believes that externalization of the asset management function in respect of the Western Portfolio will assist Dundee REIT with retaining and attracting high quality management, primarily by providing management with the flexibility to engage in activities across the real estate spectrum, such as third party asset management, and providing a more competitive, incentive-based compensation structure.

Dundee Corporation is Willing to Retain More Than Its Pro Rata Share of Units

As part of the Transaction, Dundee Corporation indicated a willingness to retain more than its pro rata share of REIT Units (including through Special Trust Units and corresponding LP Units). This will result in additional cash being available for public unitholders who wish to elect to have Dundee REIT and GE Real Estate acquire more than such unitholders' Pro Rata Percentage of REIT units.

Result of a Careful Strategic Review

The Transaction is the result of a careful strategic review conducted by the Board and the independent committee, in consultation with management and with the benefit of advice from their respective financial and outside legal advisors. The strategic review included the consideration of a number of strategic alternatives and the undertaking of an auction process in which eight qualified strategic investors and financial sponsors were invited to participate. As part of this auction process, five investors entered into confidentiality and standstill agreements and were provided with access to certain confidential financial, legal and tax information regarding Dundee REIT. Three of these investors submitted expressions of interest to Dundee REIT. With the advice of its financial advisors, the Board concluded that the Transaction represented the best value to unitholders.

Fairness Opinions

The independent committee received the Blackmont Valuations and Fairness Opinion from Blackmont, its independent financial advisor, and the Brookfield Financial Fairness Opinion from Brookfield Financial, Dundee REIT's exclusive financial advisor, each concluding that, based upon and subject to the assumptions, limitations and other considerations set forth therein, as of June 3, 2007, the consideration to be received by unitholders not subject to the Lock-Up Agreement in connection with the Transaction is fair, from a financial point of view, to such unitholders. See "The Transaction — Brookfield Financial Fairness Opinion" and "The Transaction — Blackmont Valuations and Fairness Opinion".

Valuations

Blackmont has delivered to the independent committee the Blackmont Valuations, indicating that the \$47.50 price per unit offered in connection with the Transaction exceeds the range of values of Dundee REIT, both as presently constituted and as proposed to be constituted following consummation of the Transaction. See “The Transaction — Blackmont Valuations and Fairness Opinion”.

Superior Proposal Not Precluded

The terms and conditions of the Purchase Agreement, including the amount of the Termination Payment payable by Dundee REIT under certain circumstances, do not preclude a Superior Proposal or prevent the independent committee and the Board from considering and acting upon any such Superior Proposal, in accordance with the terms of the Purchase Agreement.

Unitholder Approval is Required

The Special Resolution must be approved by the affirmative vote of unitholders representing more than 66 $\frac{2}{3}$ % of REIT Units represented at the Special Meeting, and at least a simple majority of REIT Units represented at the Special Meeting other than REIT Units held by certain interested parties.

The foregoing discussion of the information and factors reviewed by the independent committee and the Board is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered by the independent committee and the Board, the independent committee did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The recommendations of the Independent Committee and the Board were made after consideration of all of the above-noted factors in light of their collective knowledge of the operations, financial condition and prospects of Dundee REIT and was also based upon the advice of their respective financial and legal advisors. Individual members of the independent committee and the Board may have given different weights to the different factors.

Brookfield Financial Fairness Opinion

Brookfield Financial was retained by Dundee REIT to act as exclusive financial advisor to Dundee REIT and the Board in connection with their review of strategic alternatives to maximize unitholder value and, if requested, to deliver a fairness opinion. Brookfield Financial has delivered the Brookfield Financial Fairness Opinion, addressed to the Board, concluding that, based on the assumptions, limitations and other considerations set forth in the Brookfield Financial Fairness Opinion, as of June 3, 2007, the consideration to be received by unitholders (other than those subject to the Lock-Up Agreement) in connection with the Transaction is fair, from a financial point of view, to such unitholders. The full text of the Brookfield Financial Fairness Opinion is attached as Appendix B to this Circular. Unitholders are urged to read the Brookfield Financial Fairness Opinion carefully and in its entirety for a description of the matters considered and limitations on the review undertaken. The Brookfield Financial Fairness Opinion addresses only the fairness of the consideration to be received by unitholders in connection with the Transaction from a financial point of view. The Brookfield Financial Fairness Opinion does not constitute a valuation or a recommendation to unitholders as to whether they should elect to have any of their REIT units acquired or vote in favour of the Transaction.

Blackmont Valuations and Fairness Opinion

Selection of Blackmont

The independent committee initially contacted Blackmont regarding a potential advisory assignment in May 2007, and Blackmont was formally engaged by the independent committee through the Blackmont Engagement Agreement. The terms of the Blackmont Engagement Agreement provide, among other things, that Blackmont is to be paid a fee for the Blackmont Valuations and Fairness Opinion, which fee is not contingent upon the successful completion of the Transaction or the content of the Blackmont Valuations or Fairness Opinion. The compensation of Blackmont under the Blackmont Engagement Agreement also does not depend, in whole or in part, upon the conclusions reached in the Blackmont Valuations or the Fairness Opinion or the successful outcome of the Transaction. In addition, Blackmont is to be reimbursed for its reasonable out-of-pocket expenses and Dundee REIT has agreed to indemnify Blackmont with respect to certain liabilities that might arise out of the engagement.

Relationship with Interested Parties

Neither Blackmont, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act) of Dundee REIT and/or GE Real Estate, or any of their respective associates or affiliates. Blackmont has not been engaged to provide any financial advisory services nor has it participated in any financing involving Dundee REIT or any of their respective associates or affiliates, within the past two years, other than the services provided under the Blackmont Engagement Agreement and as described below.

In 2006, Blackmont was retained to act as the financial advisor to a special committee of the board of Dundee REIT and to provide a fairness opinion on the internalization of the property management of Dundee REIT. The transaction involved Dundee Properties LP purchasing the interest in Dundee Management LP not already owned by Dundee Properties LP and which was owned by DRC. There are no understandings, agreements or commitments between Blackmont and Dundee REIT, GE Real Estate or any of their respective associates or affiliates with respect to any future business dealings. Blackmont may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Dundee REIT and/or GE Real Estate or any of their respective associates or affiliates.

Blackmont acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of Dundee REIT or GE Real Estate or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Blackmont conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to Dundee REIT, GE Real Estate or the Transaction.

Credentials of Blackmont

Blackmont is one of Canada's largest independent investment banking firms, with operations in all facets of corporate finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Blackmont Valuations and the Fairness Opinion expressed herein represent the opinions of Blackmont and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

The Blackmont Valuations have been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Dealers Association of Canada but the Investment Dealers Association of Canada has not been involved in its preparation or review.

Blackmont Valuations

The following summary is qualified in its entirety by the full text of the Blackmont Valuations and Fairness Opinion, which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with the Blackmont Valuations and conclusion on fairness. A copy of the Blackmont Valuations and Fairness Opinion is attached as Appendix "C" to this Circular. Unitholders are urged to read the Blackmont Valuations and Fairness Opinion in its entirety.

Scope of Review

In connection with the Blackmont Valuations and Fairness Opinion, Blackmont reviewed and relied upon (without verifying or attempting to verify independently the completeness or accuracy thereof) or carried out, the various items specified therein, including drafts of the Circular, Purchase Agreement, Asset Management Agreement, Declaration of Trust, financial statements and continuous disclosure information pertaining to Dundee REIT covering various periods, internal budgets and discussions with senior management of Dundee REIT and its various financial, legal and tax advisors; and such other corporate, industry and financial market information, investigations and analyses as Blackmont considered necessary or appropriate in the circumstances.

Prior Valuations

Dundee REIT has represented to Blackmont that there have not been any prior valuations (as defined pursuant to Rule 61-501) of Dundee REIT or its material assets or its securities in the past twenty-four month period.

Assumptions and Limitations

With the independent committee's approval and as provided for in the Blackmont Engagement Agreement, Blackmont has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, senior management of Dundee REIT, and their consultants and advisors (collectively, the "**Information**"). The Blackmont Valuations and Fairness Opinion are conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, Blackmont has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of Dundee REIT have represented to Blackmont in a certificate delivered as of June 3, 2007, among other things, that (i) the Information (as defined above), taken as a whole, which had been provided (a) orally by an officer of either Dundee REIT in the presence of, or designated for such purpose by, such senior officers of Dundee REIT or (b) in writing by Dundee REIT or any of its subsidiaries or their respective agents to Blackmont for the purpose of preparing the Blackmont Valuations and Fairness Opinion was, as of the date of such Information complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of Dundee REIT, its subsidiaries or the Transaction and did not and does not omit to state a material fact in respect of Dundee REIT, its subsidiaries or the Transaction necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided; and that (ii) since the respective dates of the Information, except as disclosed in writing to Blackmont, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Dundee REIT or any of its subsidiaries and there has been no material change relating to the Information which is of a nature to render the Information, taken as a whole, incomplete, untrue or incorrect in any material respect.

In preparing the Blackmont Valuations and Fairness Opinion, Blackmont has made several assumptions, including that all of the conditions required to implement the Transaction will be met and that the disclosure provided or incorporated by reference in the Circular with respect to Dundee REIT, its subsidiaries and affiliates and the Transaction is accurate in all material respects. In particular, but without limitation, Blackmont has assumed the accuracy of the information and opinions contained under the heading "Certain Canadian Federal Income Tax Considerations" and has assumed, without investigation, that the assumptions contained in this Circular regarding the future tax status of Dundee REIT are correct.

The Blackmont Valuations and Fairness Opinion are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at June 3, 2007 and the condition and prospects, financial and otherwise, of Dundee REIT and its subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Blackmont in discussions with management of Dundee REIT. In its analyses and in preparing the Blackmont Valuations and Fairness Opinion, Blackmont made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Blackmont or any party involved in the Transaction.

The Blackmont Valuations and Fairness Opinion have been provided for the use of the independent committee and the Board and may not be used by any other person or relied upon by any other person other than the independent committee and the Board without the express prior written consent of Blackmont. The Blackmont Valuations and Fairness Opinion are given as of June 3, 2007 and Blackmont disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Blackmont Valuations or Fairness Opinion which may come or be brought to Blackmont's attention after June 3, 2007. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Blackmont Valuations or Fairness Opinion after the date hereof, Blackmont reserves the right to change, modify or withdraw the Blackmont Valuations or Fairness Opinion.

Blackmont believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Blackmont Valuations or Fairness Opinion. The preparation of a valuation or a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Neither the Blackmont Valuations nor the Fairness Opinion are to be construed as a recommendation to any holder of Units as to whether to vote in favour of the Transaction.

Blackmont is not a legal, tax or accounting expert and expresses no opinion concerning any legal, tax or accounting matters concerning the Transaction.

Definition of Fair Market Value

For purposes of the Blackmont Valuations, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. Blackmont has not made any downward adjustment to the value of the Units or the Units of Dundee REIT post-Transaction to reflect their liquidity, the effect of the Transaction or the fact that the Units held by minority unitholders do not form part of a controlling interest.

Dundee REIT Valuation

Valuation Methods

Blackmont's primary valuation methodology in preparing the Dundee REIT Valuation was a net asset value ("NAV") approach. As a test of the NAV range obtained, Blackmont also reviewed precedent transactions involving public real estate entities with significant income producing properties, including an analysis of the implied capitalization rates ("cap rates") of Net Operating Income and multiples of adjusted funds from operations ("AFFO"). Given the immateriality and non-recurring nature of the cash flow from Dundee REIT's land development activities as well as the lack of precedent transactions involving publicly traded entities that are primarily focused on land development, Blackmont did not rely on the precedent transactions approach in valuing Dundee REIT's land development business.

Blackmont also reviewed the trading multiples of comparable public companies involved in the real estate industry generally, from the perspective of whether a public market value analysis might exceed NAV or precedent transaction values.

Valuation Conclusion

Based upon and subject to the foregoing, Blackmont is of the opinion that, as of June 3, 2007, the fair market value of the Units is in the range of \$40.00 to \$45.00 per Unit.

Dundee REIT Valuation Post-Transaction

Valuation Methods

In preparing the Dundee REIT Valuation post-Transaction, Blackmont determined that the appropriate approach to use is the expected market trading value of the Units after an appropriate period to allow for recycling of the Units following completion of the Transaction. Pursuant to the Transaction, Unitholders will continue to hold minority interests in Dundee REIT and will not be able to effect a sale of 100% of Dundee REIT. Blackmont also considered a NAV analysis of Dundee REIT post-Transaction primarily as a comparison to expected market trading values.

In assessing the expected market trading value of the Units post-Transaction, Blackmont reviewed publicly traded commercial property real estate investment trusts and corporations in the Canadian equity market.

Blackmont considered the characteristics of publicly traded property trusts and corporations including, among other things, the size, revenue growth prospects, quality, property and asset management arrangements, location and mix of assets, market capitalization and the following in the capital markets, forward trading multiples of AFFO, current yields, payout ratios based on AFFO, tax deferral of distributions, leverage, ownership and governance. Based on the foregoing, Blackmont concluded that appropriate ranges of normalized AFFO multiples for Dundee REIT post-Transaction to be between 17.0x to 19.0x 2008E AFFO. Blackmont believes that such multiples have been adequately adjusted to reflect the terms of the proposed external asset management structure (both as such terms existed on June 3, 2007 and as such terms have subsequently been amended).

In addition, it is Blackmont's view that the appropriate forecast of AFFO should factor in acquisitions net of closing costs and reserves for tenant inducements, leasing commissions and capital expenditures. Blackmont reviewed and relied upon certain internal financial information (financial models, management forecasts and related confidential information) prepared and provided to Blackmont by management and Brookfield Financial concerning the Transaction, including an estimated 2008 AFFO per REIT unit of \$2.45 post-Transaction.

Based on Dundee REIT post-Transaction's increased debt capacity, and its relatively lower than average cost of capital, in conjunction with its historical operating and acquisition policies, Blackmont reviewed the assumptions in the forecasts and determined that material adjustments were not necessary. With respect to budgets, forecasts, projections or estimates provided to Blackmont and used in its analyses, Blackmont notes that projecting future results is subject to uncertainty. Blackmont has assumed, however, that such budgets, financial forecasts, projections and estimates were reasonably prepared on bases reflecting the best currently available estimates and judgment of Dundee REIT and are (or were at the time and continue to be) reasonable in the circumstances.

Blackmont also considered an NAV analysis of Dundee REIT post-Transaction primarily as a comparison to expected market trading values and concluded that, consistent with most publicly traded commercial property real estate investment trusts in the Canadian equity market, the expected market trading value of the Units would be approximately equal to the NAV of the Units using a range of cap rates between 5.35% and 5.85%, with an average cap rate range of 5.60%.

Valuation Conclusion

Based upon and subject to the foregoing, Blackmont is of the opinion that, as of June 3, 2007, the fair market value of the Dundee REIT Units post-Transaction is in the range of \$42.00 to \$47.00 per Unit.

Blackmont Fairness Opinion

Blackmont was retained by the independent committee in order act as the independent committee's independent financial advisor in connection with the Transaction, including by providing advice and assistance to the independent committee in evaluating the merits of the Transaction and providing the Blackmont Fairness Opinion. Blackmont has delivered the Blackmont Fairness Opinion, addressed to the independent committee, concluding that, on the basis of the assumptions, limitations and other considerations set forth in the Blackmont Fairness Opinion, as of June 3, 2007, the consideration to be received by unitholders (other than those subject to the Lock-Up Agreement) in connection with the Transaction is fair, from a financial point of view, to such unitholders. The Blackmont Fairness Opinion addresses only the fairness of the consideration to be received by unitholders in connection with the Transaction from a financial point of view. The Blackmont Fairness Opinion does not constitute a recommendation to unitholders as to whether they should elect to have any of their REIT units acquired or vote in favour of the Transaction.

The full text of the Blackmont Valuations and Fairness Opinion is attached to Appendix C to this Circular. Unitholders are urged to read the Blackmont Valuations and Fairness Opinion carefully and in its entirety for a description of the matters considered and limitations on the review undertaken.

Amendment to Purchase Agreement

Since the public announcement of the Transaction on June 4, 2007, management of Dundee REIT has received feedback from a number of investors and industry participants regarding the Transaction. On July 11, 2007, the independent committee met to consider the recommendations of management and advice of Brookfield Financial and Blackmont with respect to certain proposed modifications to the form of Asset Management Agreement between DRC and Dundee REIT. Following a discussion of the proposed modifications in the context of its benefits to Dundee REIT and its unitholders, the independent committee, after receiving the advice of Brookfield Financial and Blackmont, unanimously resolved to recommend to the Board that it approve the proposed modifications, and authorize Dundee REIT to enter into an amendment to the Purchase Agreement for the purposes of replacing the form of Asset Management Agreement attached as Schedule F to the Purchase Agreement with the modified form of Asset Management Agreement.

Following the meeting of the independent committee, a meeting of the Board was held to, among other things, consider and approve this Circular and certain other matters and receive the recommendation of the independent committee with respect to the modifications to the form of Asset Management Agreement. Following receipt of such recommendation and discussions regarding the benefits to Dundee REIT and its unitholders, and after receiving the advice of Brookfield Financial, the Board unanimously resolved (with each of Michael Cooper, Joanne Ferstman and David Goodman (with the Chairman being absent) declaring an interest and abstaining from voting due to a potential conflict of interest resulting from their respective relationships with Dundee Corporation and DRC) to approve the proposed modifications, and authorize Dundee REIT to enter into an amendment to the Purchase Agreement for the purposes of replacing the form of Asset Management Agreement attached as Schedule F to the

Purchase Agreement with the modified form of Asset Management Agreement. On July 13, 2007, the amendment to the Purchase Agreement was executed, together with letters amending the Side Letter and the Lock-Up Agreement to account for the amendment to the Purchase Agreement and the modified form of Asset Management Agreement.

For a summary of the modified form of Asset Management Agreement, please see “The Purchase Agreement and Related Agreements — Summary of Asset Management Agreement”. A copy of the amendment to the Purchase Agreement with the modified form of Asset Management Agreement is annexed as Appendix F to this Circular.

Dundee REIT Following the Transaction

This section contains selected financial and other information regarding the Western Portfolio. All of the information provided in this section, “The Transaction — Dundee REIT Following the Transaction” is stated as at March 31, 2007, unless otherwise indicated.

Objectives

Dundee REIT’s objectives, after giving effect to the Transaction, are to:

- manage its undertaking to provide growing cash flow, and stable and sustainable returns through adapting its strategy and tactics to changes in the real estate industry and the economy;
- build a diversified, growth-oriented portfolio of office and industrial properties in Canada, based on an established platform in Western Canada;
- provide predictable and sustainable cash distributions to unitholders and prudently increase distributions over time allowing investors to benefit from the growth in its real estate operations; and
- maintain a REIT that satisfies the REIT Exception in order to be more competitive in the real estate industry than REITs which have not satisfied the REIT Exception.

Strategy

Dundee REIT’s strategy is to rely on a core portfolio of office and industrial properties that provides a solid platform for stable and growing returns. Consistent with its strategy in the past, Dundee REIT intends to increase cash flow by adding value to existing properties, pursuing accretive acquisitions, undertaking select development opportunities and identifying new trends and opportunities in the real estate market. In addition, its strategy will continue to include working within the capital markets to enhance value through the efficient use of its capital and utilizing private and public debt and public equity to provide its unitholders with the highest possible returns. Dundee REIT’s track record includes issuing equity at increasing prices to finance rapid growth, increasing and decreasing its level of debt based on the relative cost of debt and equity, selling major portions of its portfolio when the value was high, which helped increase the growth in its remaining operations and returning capital to its unitholders when it had excess capital. Dundee REIT’s methodology to meet its strategy and objectives includes:

Effectively managing its activities

Dundee REIT intends to manage its properties to optimize long term cash flow and value. Dundee REIT will benefit from the expertise of a group of highly experienced real estate professionals through its internal property management function. In addition, through the Asset Management Agreement, DRC will provide the strategy, leadership and execution of Dundee REIT’s operations plan. All of these real estate professionals have worked together for many years and will continue to work together to increase the value of Dundee REIT’s portfolio through continuous and active analysis of how its properties and its portfolio as a whole can achieve optimal performance. Dundee REIT will continue to identify strengths and weaknesses of individual properties and its portfolio as a whole, which will allow it to quickly reposition assets when desirable.

Dundee REIT actively manages its debt levels and interest rates in order to minimize financing and interest rate risk while maximizing its overall performance. Dundee REIT staggers its debt maturities in order to mitigate interest rate exposure and to ensure that there are no significant maturities in any given year. Lease maturities are similarly staggered to maintain continuity of income and to avoid significant lease turnovers and their associated leasing costs in any given year.

Pursuing growth

Dundee REIT will achieve growth by acquiring properties that enhance its overall portfolio, further improve the sustainability of distributions and help it mitigate risk. Dundee REIT's growth strategy is to acquire office and industrial properties in those Canadian markets that offer compelling investment opportunities and reposition existing properties where opportunities exist. Dundee REIT continuously evaluates individual properties, portfolios and entities with a view to maximizing performance and achieving the best value and growth potential.

Meeting the needs of its tenants

Dundee REIT has a committed team of in-house property management professionals. A strong relationship with its tenants is critical to its success. Dundee REIT strives to be the preferred landlord by meeting and anticipating its tenants' needs. Dundee REIT believes that providing a consistent, high level of service puts it in a better position to re-lease space to existing tenants and helps attract new tenants to lease vacant space quickly and cost-effectively.

Composition of the Western Portfolio

If the sale of the Eastern Portfolio is completed pursuant to the Transaction, Dundee REIT will continue to own real estate assets located in Western Canada valued at approximately \$1.5 billion. The table below sets forth information concerning the office and industrial properties comprising the Western Portfolio. Detailed information about each property in the Western Portfolio is annexed as Appendix D to this Circular.

The information relating to our properties provided in the tables in this section, "Dundee REIT Following the Transaction — Composition of the Western Portfolio", is stated as at March 31, 2007 but also includes two acquisitions completed subsequent to that date (see "The Transaction — Dundee REIT Following the Transaction — Subsequent Events — Western Portfolio").

	Owned Gross Leasable Area (square feet) ⁽¹⁾			
	March 31, 2007			
	Office	Industrial	Total	%
Alberta	2,648,582	1,955,136	4,603,718	79%
Western Canada	1,235,014	—	1,235,014	21%
Total	<u>3,883,596</u>	<u>1,955,136</u>	<u>5,838,732</u>	<u>100%</u>
	67%	33%	100%	

(1) Excludes redevelopment properties

Office Rental Properties

The Western Portfolio consists of 35 office properties (37 buildings) comprising approximately 3.9 million square feet, excluding redevelopment properties, located in Regina, Saskatoon, Calgary, Edmonton, Yellowknife and Vancouver. These office properties can generally be categorized as high-quality, affordable, suburban and downtown buildings. At March 31, 2007, the average occupancy rate of office properties in the Western Portfolio was 97.9%. The occupancy rate of Dundee REIT's Calgary portfolio was 99.3% as at March 31, 2007, ahead of the market average of 98.2% (CB Richard Ellis, Canadian Office Market view, 1st Quarter 2007). These occupancy rates include lease commitments for space that is currently being readied for occupancy but for which rent is not yet being recognized.

Industrial Rental Properties

The Western Portfolio also consists of 37 prime suburban industrial and prestige industrial properties (41 buildings) comprising approximately 2.0 million square feet, concentrated in Calgary and Edmonton. Dundee REIT's strategy is to own clusters of properties, allowing it to respond quickly and efficiently to tenants' needs during times of change in their operations or size of their workforce. At March 31, 2007, the average occupancy rate across the industrial portfolio was 100.0%. By comparison, the market availability rate in both Calgary and Edmonton as at March 31, 2007 was 2.1% (CB Richard Ellis, Canadian Industrial Market View, 1st Quarter 2007).

Information about the Western Portfolio

The table below sets forth information concerning the average in-place rents of the properties comprising the Western Portfolio as at March 31, 2007.

Average In-Place Rents

	<u>Owned share of total GLA</u> (sq. ft.)	<u>Average in- place net rent</u> (GLA)	<u>Average contract rent</u> (total owned GLA)	<u>Owned share of contract rent</u>
Alberta	2,648,582	\$15.48	\$15.35	\$40,652,394
Western Canada	<u>1,235,014</u>	<u>16.15</u>	<u>15.50</u>	<u>19,137,404</u>
Office average	<u>3,883,596</u>	<u>15.69</u>	<u>15.40</u>	<u>59,789,798</u>
Alberta	<u>1,955,136</u>	<u>6.21</u>	<u>6.21</u>	<u>12,138,480</u>
Industrial average	<u>1,955,136</u>	<u>6.21</u>	<u>6.21</u>	<u>12,138,480</u>
Total	<u>5,838,732</u>	<u>\$12.48</u>	<u>\$12.32</u>	<u>\$71,928,278</u>

The table below sets forth information concerning the lease maturity profile as at March 31, 2007, by asset type, of the properties comprising the Western Portfolio.

Lease Maturity Profile

(square feet)	<u>Current Vacancy</u>	<u>Current Monthly Tenancies</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 and thereafter</u>	<u>Total</u>
Office	80,540	7,395	250,785	543,360	445,905	562,118	1,993,493	3,883,596
Industrial	—	3,000	334,711	251,954	279,593	188,518	897,360	1,955,136
Total	<u>80,540</u>	<u>10,395</u>	<u>585,496</u>	<u>795,314</u>	<u>725,498</u>	<u>750,636</u>	<u>2,890,853</u>	<u>5,838,732</u>
Percentage	1.4%	0.2%	10.0%	13.6%	12.4%	12.9%	49.5%	100.0%

Throughout the remainder of 2007, 10.0% of Dundee REIT's leases will be up for renewal. Dundee REIT has a long and successful track record in managing its lease renewals, as evidenced by the consistency of its maturity profile and the strength of its occupancy rates over a number of years. With average market rents increasing across all of its markets, particularly in Calgary, Dundee REIT's lease maturity profile affords it the opportunity to take advantage of buoyant economic conditions. As a result, Dundee REIT anticipates generating increased cash flow as space is re-leased.

The following table provides average expiring rents across the Western Portfolio as well as an estimate of average market rents as at March 31, 2007:

Average Expiring Rents⁽¹⁾⁽²⁾

	<u>Current Monthly Tenancies</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 and thereafter</u>
Expiring Rents						
Office	\$13.53	\$12.39	\$12.68	\$15.62	\$14.85	\$18.40
Industrial	<u>\$ 7.50</u>	<u>\$ 5.41</u>	<u>\$ 5.94</u>	<u>\$ 5.40</u>	<u>\$ 8.52</u>	<u>\$ 7.10</u>
Portfolio average	<u>\$11.79</u>	<u>\$ 8.18</u>	<u>\$10.55</u>	<u>\$11.63</u>	<u>\$13.26</u>	<u>\$14.84</u>
Market Rents⁽³⁾						
Office	\$18.01	\$25.70	\$20.11	\$22.40	\$25.43	\$24.96
Industrial	\$ 7.50	\$ 5.36	\$ 7.10	\$ 6.22	\$ 9.26	\$ 7.07
Market rent average	<u>\$14.98</u>	<u>\$13.43</u>	<u>\$15.99</u>	<u>\$16.08</u>	<u>\$21.37</u>	<u>\$19.33</u>

(1) Expiring rents reflect cash rents

(2) Excludes redevelopment properties

(3) Estimate only, based on current market rents with no allowance for increases in future years and subject to change with market conditions in each market segment.

Dundee REIT's estimate of the current average market rental rate is approximately 64% higher than its 2007 expiring rental rate. Combining its lease maturity profile over the next three years with its estimate of market rents, Dundee REIT anticipates significant up-side as leases are renewed or new leases are signed, offering significant potential for comparative property net operating income growth.

The table below sets forth the average remaining lease term and other information concerning the properties comprising the Western Portfolio.

Average Remaining Lease Term and Other Information⁽¹⁾

	March 31, 2007		
	Average Remaining Lease Term	Average Tenant Size	Average In-Place Net Rent
	(years)	(sq. ft.)	(per sq. ft.) ⁽²⁾
Office	4.53	7,714	\$15.69
Industrial	3.92	8,013	\$ 6.21
Portfolio average	<u>4.32</u>	<u>7,813</u>	<u>\$12.48</u>

(1) All amounts exclude redevelopment properties.

(2) Average in-place rents include straight-line rent adjustments.

Dundee REIT's tenant base includes a wide range of high-quality tenants including government, large international corporations and small entrepreneurial businesses across the country. With over 700 tenants, Dundee REIT's risk exposure to any single lease or tenant is low. The average sizes of its office and industrial tenants are approximately 7,700 and 8,000 square feet, respectively, placing it at the lower end of its peer group. Dundee REIT finds that tenants who require smaller spaces typically do not have the planning time horizons associated with larger tenants. As a result, in Dundee REIT's experience, its larger tenants will often commit to leases with a ten to 15 year term, while many of its smaller tenants will only commit to leases with a one to three year term. This is reflected in Dundee REIT's average remaining lease term of just over four years and in its lease maturity profile. Effectively managing this diverse tenant base has become a key strength and has helped Dundee REIT to maintain consistently high occupancy levels.

The stability and quality of Dundee REIT's cash flow is further enhanced by government agencies contributing approximately 18% to its total gross rental revenue. Dundee REIT's ten largest tenants feature both federal and provincial government agencies as well as other nationally and internationally recognizable businesses. The table below highlights the quality of these tenancies and outlines their contribution to Dundee REIT's cash flow.

Ten Largest Tenants

The table below sets forth the ten largest tenants in the Western Portfolio.

<u>Tenant</u>	<u>Owned area in sq. ft.</u>	<u>% of owned area</u>	<u>% of gross rental revenue</u>	<u>Expiry</u>
1. Telus	311,472	5.3%	8.1	2013 – 2016
2. Government of Canada	254,766	4.4%	6.2	2007 – 2012
3. Government of British Columbia	180,772	3.1%	4.3	2007 – 2016
4. Government of NWT	108,701	1.9%	3.3	2007 – 2012
5. SNC Lavalin	87,381	1.5%	2.4	2012
6. Government of Saskatchewan	139,529	2.4%	2.1	2008
7. Government of Alberta	88,527	1.5%	2.0	2009 – 2014
8. CGI	73,103	1.3%	1.9	2007 – 2012
9. Hatch	68,691	1.2%	1.7	2011 – 2016
10. Gemini Corporation	73,701	1.3%	1.4	2012 – 2014
TOTAL	<u>1,386,643</u>	<u>23.9%</u>	<u>33.4</u>	

Selected Historical and Segmented Financial Information

The segmented balance sheet below includes the assets and liabilities of Dundee REIT, the Eastern Portfolio and the Western Portfolio, which includes existing corporate assets and liabilities of Dundee REIT, as at March 31, 2007. The segmented balance sheet was prepared using the historical unaudited balance sheet of Dundee REIT as at March 31, 2007. The segmented balance sheet does not include any transactions occurring subsequent to March 31, 2007 nor does it include the receipt of proceeds or the Redemption of REIT units proposed in this Circular.

Segmented Balance Sheet as at March 31, 2007

(\$000's) (Unaudited)	<u>Dundee REIT</u> <u>March 31, 2007</u>	<u>Eastern Portfolio</u>	<u>Western Portfolio</u>
Assets			
Rental properties	\$2,083,428	\$1,243,794	\$839,634
Land	42,116	41,307	809
Deferred costs	75,264	47,739	27,525
Amounts receivable	19,491	13,414	6,077
Prepaid expenses and other assets	19,218	7,383	11,835
Cash and cash equivalents	59,560	59,560	—
Intangible assets	113,584	62,065	51,519
	<u>\$2,412,661</u>	<u>\$1,475,262</u>	<u>\$937,399</u>
Liabilities			
Mortgages payable and term debt	\$1,169,660	\$ 741,715	\$427,945
Debentures	61,317	—	61,317
Amounts payable and accrued liabilities	46,400	26,147	20,253
Distributions payable	8,980	—	8,980
Future income tax liability	3,817	2,539	1,278
Intangible liabilities	54,521	10,574	43,947
	<u>1,344,695</u>	<u>780,975</u>	<u>563,720</u>
Unitholders' equity	<u>1,067,966</u>	<u>694,287</u>	<u>373,679</u>
	<u>\$2,412,661</u>	<u>\$1,475,262</u>	<u>\$937,399</u>

Debt Maturities — Western Properties as at March 31, 2007

The table below represents the debt maturities and scheduled repayments on non-matured debt for properties in the Western Portfolio as well as Debentures and term debt of Dundee REIT as at March 31, 2007.

(\$000's)	<u>Debt Maturity</u>	<u>Scheduled principal</u> <u>repayments on</u> <u>non-matured debt</u>	<u>Amount</u>	<u>%</u>	<u>Weighted</u> <u>Average</u> <u>Interest Rate</u> <u>on Balance</u> <u>Due at</u> <u>Maturity</u> <u>%</u>
2007	\$ 2,316	\$ 8,156	\$ 10,472	2.1%	6.96%
2008	25,854	10,523	36,377	7.5%	7.00%
2009	17,683	9,681	27,364	5.6%	5.30%
2010	5,867	9,815	15,682	3.2%	5.24%
2011	70,355	9,011	79,366	16.3%	6.03%
2012 and thereafter	296,608	22,123	318,731	65.3%	5.68%
Total Debt Maturities	<u>\$418,683</u>	<u>\$69,309</u>	<u>487,992</u>	<u>100.0%</u>	<u>5.80%</u>
Fair Value Adjustment			4,949		
Deferred Financing Costs			<u>(3,679)</u>		
			<u>\$489,262</u>		

The overall average interest rate of Dundee REIT's debt at March 31, 2007 was 5.8% and the average term to maturity was 6.5 years.

Subsequent Events — Western Portfolio

On June 27, 2007, Dundee REIT completed the acquisition of 4400 Dominion Street, a 91,000 square foot suburban office building in Burnaby, B.C. The total purchase price was \$18.6 million and no debt was assumed on the acquisition. The occupancy rate of the property at the time of acquisition was 93% with an average lease term of 3.1 years and an average in-place rent of \$13.86. The total purchase price represents a going-in capitalization rate of 7.0%.

On July 6, 2007, Dundee REIT completed the acquisition of the Airport Corporate Centre, a 148,000 square foot office building in Calgary, Alberta. The total purchase price was \$38.2 million and no debt was assumed on the acquisition. The occupancy rate of the property was 100%, with an average lease term of 5.5 years and an average in-place rent of \$16.23. The total purchase price represents a going-in capitalization rate of 6.5%.

Significant Refinancings — Western Portfolio

Subsequent to quarter end, Dundee REIT secured approximately \$63.1 million in new mortgage financing. The new mortgage financing was completed with an average term to maturity of 10 years and an average interest rate of 5.4%.

Management

Following the closing, the Western Portfolio will continue to be internally managed, with a subsidiary of Dundee REIT continuing to act as the property manager for the Western Portfolio.

DRC has negotiated the form of Asset Management Agreement with Dundee REIT pursuant to which DRC will provide asset management services to Dundee REIT with respect to the Western Portfolio following the Closing. Dundee REIT's current senior management will continue to work as a team, as the Transaction contemplates that all of Dundee REIT's senior management will be transferred to DRC, which will enter into the Asset Management Agreement on Closing. See "The Purchase Agreement and Related Agreements — Summary of Asset Management Agreement". Accordingly, Dundee REIT will continue to benefit from a management team that has a demonstrated track record for achieving growth and creating unitholder value.

Dundee REIT believes that externalizing the asset management function in respect of the Western Portfolio will assist with the retention and attraction of high quality management, primarily by increasing the flexibility of management to engage in activities across the real estate spectrum such as third party asset management, and providing a more competitive, incentive-based compensation structure. This includes the payment of fees by Dundee REIT to the asset manager under the Asset Management Agreement that have a significant performance (or incentive) component that is more typical of fees paid in the context of privately managed real estate and other investment funds. Dundee REIT believes that retaining and attracting high quality management will be essential to providing for the continued success and growth of Dundee REIT.

GE Real Estate will also enter into an administrative services agreement with Dundee Management LP on Closing pursuant to which Dundee Management LP will, for a two-year term, provide general office support services, including information systems support, human resources and payroll services, regulatory compliance services, accounting services and such other services as GE Real Estate may reasonably request from time to time and which Dundee Management LP, acting reasonably, agrees to perform.

Amendment of Governing Documents of Dundee REIT, Trust A, Trust B and Dundee Properties LP

In addition to authorizing the Transaction, unitholders are being asked to consider and approve various amendments to the governing documents of Dundee REIT and its subsidiaries in respect of the governance and operation of Dundee REIT, including the modification of Dundee Corporation's existing board appointment rights and significant changes to the investment guidelines and operating policies of Dundee REIT's operating Subsidiary, Dundee Properties LP. See "Amendments to the Declaration of Trust and Other Governing Documents".

When real estate investment trusts were established in Canada in the 1990s, the income trust market in Canada was in its infancy. Investments in REITs were valued for their stability and sustainability of cash flows, rather than growth. As a result, it was and has been customary practice when establishing REITs for their governing documents

to contain numerous and detailed guidelines regarding the types of real estate investments that REITs can make and restrictions on the manner in which REITs can operate, particularly with regard to the ability of the REIT to incur indebtedness. In comparison, real estate businesses carried on by corporations in Canada are not subject to similar restrictions.

When Dundee REIT was established in 2003, its governing documents and those of its subsidiaries contained investment guidelines and operating policies that were consistent with those of certain other REITs in Canada at the time. With the realignment of its portfolio as a result of the Transaction, Dundee REIT believes that it is appropriate to remove or modify many of these restrictions in order to provide greater flexibility to grow the real estate activities of Dundee Properties LP and to better compete with other real estate businesses in Canada which are not subject to similar restrictions, including privately-managed funds investing or seeking to invest in real estate.

If unitholders approve the Special Resolution, including the proposed amendments to the constating documents of Dundee REIT and its Subsidiaries, the principal restrictions on the operations of Dundee REIT and its Subsidiaries will be those intended to ensure that Dundee REIT continues to qualify as a “mutual fund trust”, a “unit trust” and a “registered investment” for Canadian federal income tax purposes, as well as those intended to ensure that Dundee REIT qualifies as a “real estate investment trust” for the purposes of the SIFT Rules. See “Amendments to the Declaration of Trust and Other Governing Documents”.

SIFT Rules

Dundee REIT intends to satisfy all of the conditions for the REIT Exception before January 1, 2008. Therefore, it is not expected that Dundee REIT will be subject to the SIFT Rules. Further, beginning January 1, 2008, Dundee REIT is not expected to be subject to the Normal Growth Guidelines. In order to satisfy all of the conditions for the REIT Exception, Dundee REIT intends to implement the REIT Exception Transactions before January 1, 2008. Dundee REIT intends to structure any REIT Exception Transactions in a tax-efficient manner and currently expects any income or capital gains arising therefrom to be nominal; however, to the extent that any of the REIT Exception Transactions result in the realization of income or capital gains for Canadian federal income tax purposes, such amounts will be distributed to the unitholders whose REIT units are acquired pursuant to the Redemption. See “Certain Canadian Federal Income Tax Considerations”.

Significant Unitholders

Dundee Corporation and its Affiliates and management of DRC currently hold an approximate 17.7% interest in Dundee REIT. The Dundee Group has agreed to collectively elect to have 58% of its REIT units acquired pursuant to the Redemption and the Transfer with the intention that it will own an approximate 18% equity interest in Dundee REIT through its continued ownership of REIT units, LP Units and Deferred Units.

The Transaction contemplates that GE Real Estate, either directly or through its affiliates, will also hold an approximate 18% interest in Dundee REIT at closing. GE Real Estate will acquire this interest by acquiring 3,473,684 outstanding REIT units as part of the Redemption and the Transfer of REIT units at a price of \$47.50 cash per unit. See “Redemption and Transfer of REIT Units”.

Board Appointment Rights

If the Transaction is completed, Dundee REIT’s significant unitholder, Dundee Corporation, will continue to have the right to appoint up to one less than a majority of the trustees of Dundee REIT as is currently provided for in the Declaration of Trust. However, in connection with the reduction in the number of outstanding units of Dundee REIT as a result of the Redemption of units by Dundee REIT pursuant to the Transaction, the ownership level at which Dundee Corporation will cease to have such right will be changed from its current level of 4.0 million REIT Units to 2.0 million REIT Units.

Amendments to the Declaration of Trust are being proposed in order to modify the board appointment rights described above. See “Amendments to the Declaration of Trust and Other Governing Documents”.

Governance Practices

Dundee REIT will remain committed to maintaining high standards of governance, and will continue to refine its governance practices in light of Canadian regulatory initiatives, particularly National Policy 58-201 — Corporate Governance Guidelines, Multilateral Instrument 52-110 — Audit Committees and National Instrument 58-101 —

Disclosure of Corporate Governance Practices. The Board will continue to review Dundee REIT's governance practices on an ongoing basis in response to evolving regulatory standards.

Regulatory Matters

Competition Act Approval

Under the Competition Act, a transaction that exceeds certain financial thresholds requires prior notification (a “**Notifiable Transaction**”) to the Commissioner unless the Commissioner issues an ARC or waives the filing obligation in respect of the transaction. If a transaction is a Notifiable Transaction, it may not be completed until the applicable statutory waiting period has expired, or the Commissioner has either issued an ARC or, in lieu of an ARC, waived the filing obligation. However, the Commissioner's review of a transaction may take longer than the statutory waiting period.

The Transaction is a Notifiable Transaction and GE Real Estate plans to submit a request to the Commissioner that an ARC be issued in respect of the Transaction, together with submissions in support of such request.

Upon completion of the Commissioner's review, the Commissioner may decide to: (i) challenge the Transaction, if the Commissioner concludes that it is likely to substantially lessen or prevent competition; (ii) issue a “No-Action Letter” to GE Real Estate indicating that the Commissioner is of the view that there are not sufficient grounds to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the Transaction at that time but that the Commissioner retains the authority to do so for three years after completion of the Transaction; or (iii) issue an ARC. Where an ARC is issued and the Transaction to which the ARC relates is substantially completed within one year after the ARC is issued, the Commissioner cannot seek an order of the Competition Tribunal in respect of the Transaction solely on the basis of information that is the same or substantially the same as the information on the basis of which the ARC was issued.

The obligations of the parties to consummate the Transaction are subject to the condition that:

- (a) An ARC has been issued by the Commissioner pursuant to section 102 of the Competition Act with respect to the Transaction;
- (b) GE Real Estate and Dundee REIT have given the notice under section 114 of the Competition Act with respect to the Transaction and the applicable waiting period under section 123 of the Competition Act has expired or been waived in accordance with the Competition Act; or
- (c) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act;

and, in the case of (b) or (c), GE Real Estate has been advised in writing by the Commissioner or a person authorized by the Commissioner that such person is of the view, at that time, that, in effect, there are not sufficient grounds to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the Transaction, and the form of and any terms and conditions attached to any such advice are acceptable to GE Real Estate and such advice has not been rescinded or amended.

Investment Canada Act Approval

Under the Investment Canada Act, certain transactions involving the acquisition of control of a Canadian business by a non-Canadian are subject to review and cannot be implemented unless the Minister responsible for the Investment Canada Act is satisfied that the transaction is likely to be of net benefit to Canada. If a transaction, such as the Transaction, is subject to the review requirement, an application for review must be filed with the Investment Review Division of Industry Canada prior to the implementation of the reviewable transaction. The Minister of Industry (in this section, the “**Minister**”) is then required to determine whether the reviewable transaction is likely to be of net benefit to Canada taking into account, among other things, certain factors specified in the Investment Canada Act and any written undertakings that may have been given by the applicant. The Investment Canada Act contemplates an initial review period of 45 days after filing; however, if the Minister has not completed the review by that date, the Minister may unilaterally extend the review period by up to 30 days (or a longer period, if agreed to by the applicant) to permit completion of the review.

The prescribed factors of assessment to be considered by the Minister include, among other things, the effect of the investment on the level and nature of economic activity in Canada (including the effect on employment and utilization of Canadian products and services and exports), the degree and significance of participation by Canadians

in the acquired business, the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada, the effect of the investment on competition within any industry in Canada, the compatibility of the investment with national industrial, economic and cultural policies (taking into consideration corresponding provincial policies) and the contribution of the investment to Canada's ability to compete in world markets. If the Minister determines that he is not satisfied that a reviewable transaction is likely to be of net benefit to Canada, the reviewable transaction may not be implemented.

The Transaction is a reviewable transaction and, accordingly, GE Real Estate has filed an Application for Review with the Investment Review Division of Industry Canada.

OSC Rule 61-501 and Regulation Q-27

Dundee REIT is a reporting issuer (or the equivalent) in each province of Canada and is, among other things, subject to the applicable Securities Laws of Ontario and Québec, including OSC Rule 61-501 and Regulation Q-27. OSC Rule 61-501 and Regulation Q-27 are intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors.

The protections afforded by OSC Rule 61-501 and Regulation Q-27 apply to "business combinations" (as such term is defined in OSC Rule 61-501) and "going private transactions" (as such term is defined in Regulation Q-27) which terminate the interests of equity securityholders without their consent. The Transaction is a "business combination" under OSC Rule 61-501 and may constitute a "going private transaction" under Regulation Q-27. Accordingly, in addition to the approval of the Special Resolution in accordance with the Declaration of Trust, the Special Resolution must be approved by at least a simple majority of the votes cast by "minority" unitholders. Furthermore, the independent committee retained Blackmont to provide the Blackmont Valuations, which have been prepared in accordance with the requirements of OSC Rule 61-501 and Regulation Q-27 relating to the preparation of a formal valuation in the context of a business combination and going private transaction. The Board has determined that the fair market value of the subject matter of, and the consideration for, the "connected transactions" (as such term is defined in OSC Rule 61-501) to the Transaction is less than 25% of the market capitalization of Dundee REIT as at June 3, 2007 and, accordingly, a separate valuation of such transactions is not required. The Circular includes the enhanced disclosure required by OSC Rule 61-501 and Regulation Q-27 for business combinations and going private transactions, respectively.

In relation to the Transaction and for purposes of this Circular, the "minority" unitholders" are all unitholders of Dundee REIT other than:

- (a) interested parties, including Dundee REIT, GE Real Estate, Dundee Corporation and its Affiliates, and their respective trustees, directors and senior officers, and any other interested party to the Transaction within the meaning of OSC Rule 61-501 and Regulation Q-27,
- (b) any related party of an interested party within the meaning of OSC Rule 61-501 and Regulation Q-27, subject to the exceptions set out therein, and
- (c) any person that is a joint actor with any of the foregoing for the purposes of OSC Rule 61-501 and Regulation Q-27.

Toronto Stock Exchange

In accordance with applicable rules of the TSX, Dundee REIT has provided the TSX with notice of the proposed Redemption by Dundee REIT of REIT units and the proposed amendments to the Declaration of Trust to provide for the Redemption and the Transfer, all as described in this Circular. The TSX has pre-cleared such proposed amendments and certain other aspects of the Transaction.

REDEMPTION AND TRANSFER OF REIT UNITS

Overview

The Transaction includes the payment of up to \$1.69 billion to the unitholders of Dundee REIT through the Redemption by Dundee REIT and the Transfer to GE Real Estate of outstanding REIT units at a price of \$47.50 cash per unit as described below. Pursuant to the Redemption, a fixed number of issued and outstanding REIT units will be redeemed by Dundee REIT using the cash consideration received upon the completion of the sale of the Purchased Assets. Pursuant to the Transfer, 3,473,684 issued and outstanding REIT units will be purchased by GE Real Estate for \$165 million. The Redemption and the Transfer are expected to be effective on the next business day following the Closing of the sale of the Purchased Assets.

The total number of REIT units to be acquired pursuant to the Redemption and the Transfer, which will be determined at the Time of Closing, will depend on the actual amount of cash consideration received by Dundee Properties LP and its Subsidiaries in consideration for the Purchased Assets. This cash consideration will be a maximum of approximately \$1.5 billion, but may be reduced as a result of the Holdback Adjustments described below. If the maximum cash consideration of \$1.5 billion is received for the sale of the Purchased Assets then, together with the 3,473,684 REIT units acquired by GE Real Estate pursuant to the Transfer, approximately 35.5 million REIT units, representing approximately 70% of the REIT units and LP Units (on a fully-diluted basis), will be acquired pursuant to the Redemption and the Transfer.

Unitholders may elect to have their Pro Rata Percentage of their REIT units acquired pursuant to the Redemption and the Transfer by making a Pro Rata Election. Unitholders who make a Pro Rata Election will have their Pro Rata Percentage of REIT units acquired for \$47.50 cash per unit, and will retain the balance of their REIT units following completion of the Redemption and the Transfer. For example, if the Pro Rata Percentage is determined to be 70% on the Closing Date, a unitholder who makes this election will receive cash in the amount of \$47.50 per unit for 70% of its REIT units, and will retain 30% of its REIT units.

As described below, unitholders may elect to retain more of their REIT units than they would otherwise retain if they made a Pro Rata Election by making a Unit Election, or alternatively may elect to have 100% of their REIT units acquired pursuant to the Redemption and the Transfer by making a Cash Election. However, unitholders who make a Unit Election may have more than their elected number of REIT units acquired in certain circumstances. Similarly, unitholders who make a Cash Election may have less than 100% of their REIT units acquired in certain circumstances, as further described below.

The Declaration of Trust must be amended in order to provide for the Redemption and the Transfer. The approval of such amendments is part of the Special Resolution that unitholders are being asked to consider and, if deemed advisable, pass at the Meeting. The full text of the Special Resolution is annexed as Appendix A to this Circular.

Unitholders are encouraged to vote in respect of the Special Resolution by completing, signing, dating and returning the enclosed Form of Proxy or written voting instructions form to the Transfer Agent (in the case of registered unitholders) or the intermediary (in the case of non-registered unitholders) whether or not they are able to attend the Meeting. **An election to have REIT units acquired pursuant to the Redemption and the Transfer is not a vote in favour of the Transaction, and a vote in favour of the Transaction is not an election to have REIT units acquired pursuant to the Redemption and the Transfer.**

Completion of Sale of the Purchased Assets

Dundee Properties LP and its Subsidiaries have agreed to sell the Purchased Assets to GE Real Estate on the Closing Date, for a total purchase price of approximately \$2.4 billion (subject to adjustment). The Purchased Assets include Dundee REIT's Eastern portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and other properties located in Western Canada that Dundee REIT has agreed to sell to GE Real Estate, together with certain related assets.

On the Closing Date, the purchase price for the Purchased Assets will be satisfied by (i) the assumption by GE Real Estate of certain liabilities relating to the Purchased Assets, and (ii) cash consideration of approximately \$1.5 billion plus (A) an amount representing certain capital and development expenditures made by Dundee REIT in respect of the Eastern Undertaking prior to the Closing Date, less (B) the aggregate value ascribed to certain Holdback Properties that, due to the rights to purchase or similar rights of co-owners, joint venture partners or other

third parties, such as tenants, cannot be transferred to GE Real Estate and are not sold by the Closing Date to the co-owner, joint venture partner or other third party, as the case may be.

Any cash consideration paid by GE Real Estate in respect of capital and development expenditures will not affect the cash available to Dundee REIT to effect the Redemption. However, the cash consideration will be reduced to the extent that any Holdback Properties cannot be transferred to GE Real Estate. The amount of the reduction in such cash consideration is not expected to exceed \$90 million. Accordingly, if any of the Holdback Properties are not transferred to GE Real Estate or a third party on or before the Closing Date, the total number of issued and outstanding REIT units to be redeemed by Dundee REIT will be reduced, although there will be no change to the \$47.50 per unit cash amount paid to unitholders for any REIT units acquired.

In addition to being subject to the Holdback Adjustments, the purchase price for the Purchased Assets is also subject to both a post-closing working capital adjustment as well as a post-closing adjustment to account for changes prior to the Closing Date in the amount of mortgage debt secured by properties in the Eastern Portfolio. These adjustments are referred to as the **“Post-Closing Adjustments”**. However, the Post-Closing Adjustments will not increase or decrease the amount of cash available to acquire REIT units pursuant to the Redemption and the Transfer.

Unitholders who elect to have their REIT units redeemed and acquired pursuant to the Redemption and the Transfer will be allocated a portion of the income (including recaptured capital cost allowance) and capital gains realized by Dundee Properties LP and its Subsidiaries as a result of the sale of the Purchased Assets, in addition to any income or capital gains realized as a result of any REIT Exception Transactions. See “Certain Canadian Federal Income Tax Considerations”.

The Closing Date will occur a few days before the end of the month in which the conditions to completion of the Transaction have been satisfied or waived. The Closing Date is currently anticipated to be Friday, August 24, 2007, but may be postponed if any such Closing conditions are not satisfied or waived.

The Closing of the sale of the Purchased Assets to GE Real Estate is subject to a number of conditions. See “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement”. A copy of the Purchase Agreement containing the terms and conditions relating to the Transaction is attached as Appendix E.

Redemption and Transfer

On the Closing Date, following the completion of the sale of the Purchased Assets to GE Real Estate, Dundee REIT will issue a news release announcing, among other things, (i) the Cash Proceeds, (ii) the aggregate number of REIT units to be acquired pursuant to the Redemption and the Transfer, and (iii) the Pro Rata Percentage.

Pursuant to the Redemption, Dundee REIT will use the Cash Proceeds received on the Closing Date to redeem a fixed number of issued and outstanding REIT units, being the Redemption Number of Units, for, \$47.50 cash per unit. The Redemption Number of Units will be that number of REIT units equal to the quotient obtained by dividing the amount of the Cash Proceeds by \$47.50, rounded down to the nearest whole unit.

As part of the Transaction, GE Real Estate has also agreed, subject to certain conditions, to purchase 3,473,684 issued and outstanding REIT units for \$47.50 cash per unit, for a total purchase price of \$165 million. This purchase will occur pursuant to the Transfer of REIT units as described below. Under the Purchase Agreement, the number of REIT Units, Series B that will be acquired by GE Real Estate is limited to a maximum of 694,736 units.

While the number of REIT units to be acquired by GE Real Estate is fixed at 3,473,684, the Redemption Number of Units is dependent on the amount of the Cash Proceeds received on the Closing Date. If there are no Holdback Adjustments, the Cash Proceeds will be approximately \$1.5 billion and GE Real Estate will pay \$165 million, such that a total of approximately 35.5 million issued and outstanding REIT units will be acquired pursuant to the Redemption and the Transfer. This represents approximately 70% of the outstanding REIT units and LP Units (on a fully-diluted basis). The actual aggregate number of REIT units redeemed by Dundee REIT and transferred to GE Real Estate is referred to as the **“Acquired Number of Units”**.

Completion of the Transfer of \$165 million of REIT units to GE Real Estate is conditional upon the completion of the sale of the Purchased Assets to GE Real Estate. However, the completion of the sale of the Purchased Assets to GE Real Estate is not conditional on the completion of the Transfer. Accordingly, it is possible that the completion of the sale of the Purchased Assets could occur without the completion of the Transfer. In these

circumstances, the total number of issued and outstanding REIT units acquired will be limited to the Redemption Number of Units. The Purchase Agreement contains separate “material adverse change” provisions relating to the Western Undertaking of Dundee REIT and to the undertaking of Dundee REIT as a whole. Completion of the Transfer is conditional on there not having occurred a material adverse change relating to the Western Undertaking of Dundee REIT.

If the Transfer is completed, GE Real Estate will own an approximate 18% equity interest in Dundee REIT immediately following the completion of the Redemption and the Transfer. The Dundee Group has agreed to collectively elect to have 58% of its REIT units acquired pursuant to the Redemption and the Transfer with the intention that it will also own an approximate 18% equity interest in Dundee REIT.

If the Special Resolution is approved by unitholders, the Redemption and the Transfer are currently expected to become effective on Monday, August 27, 2007, but will be postponed if the completion of the sale of the Purchased Assets does not occur as anticipated on Friday, August 24, 2007.

The Redemption and the Transfer will become effective shortly prior to the end of the calendar month in which the conditions to closing of the sale of the Purchased Assets have been satisfied or waived and, therefore, prior to the record date for Dundee REIT’s regularly scheduled cash distribution for that month. **Accordingly, unitholders will not receive any cash distribution in respect of REIT units acquired by Dundee REIT and GE Real Estate for the month in which the Closing of the sale of the Purchased Assets to GE Real Estate occurs.** For example, if the Redemption and the Transfer are effective on Monday, August 27, 2007, unitholders (other than GE Real Estate) will not receive any regularly scheduled distribution for the month of August payable by Dundee REIT on or about September 15, 2007 on any REIT units acquired pursuant to the Redemption and the Transfer. However, unitholders who retain any REIT units following the Redemption and the Transfer will receive any regularly scheduled distribution for that month on their remaining REIT units, provided that they are unitholders as of the record date for the distribution for that month. The record date for the August distribution is anticipated to be Friday, August 31, 2007.

Pursuant to the Purchase Agreement, GE Real Estate has agreed that Dundee REIT’s obligation to pay certain transaction costs relating to the Transaction will be reduced by the aggregate amount of the first distribution paid by Dundee REIT on the 3,473,684 REIT units acquired by GE Real Estate pursuant to the Transfer.

Mechanics of Redemption and Transfer and Procedures for Elections

Effective Time

The Redemption and the Transfer will be effective upon the delivery of the Acquisition Notice by Dundee REIT to the Depositary, which delivery will be deemed to be delivery of the Acquisition Notice to each holder of REIT units. The time of delivery of the Acquisition Notice, being the Effective Time, is expected to occur at 8:00 a.m. (Toronto time) on the next business day following the completion of the sale of the Purchased Assets to GE Real Estate.

At the Effective Time, the Redemption Number of Units will be redeemed and cancelled by Dundee REIT pursuant to the Redemption and, immediately thereafter, 3,473,684 REIT units will be transferred to GE Real Estate pursuant to the Transfer.

At or shortly after the Effective Time, Dundee REIT will issue a news release announcing the results of the Redemption and the Transfer, including the actual percentage of REIT units acquired from unitholders who made a Unit Election or a Cash Election.

At the Effective Time, a new CUSIP number will be assigned to the REIT units remaining outstanding following the Redemption and the Transfer. Accordingly, each registered holder of REIT units will be required to obtain a replacement certificate bearing the new CUSIP number for all REIT units retained as of the Effective Time.

Elections

The Redemption and the Transfer have been structured so as to provide significant choice to unitholders in terms of the number of REIT units of Dundee REIT retained (and conversely the total amount of cash received on the acquisition of REIT units) pursuant to the Redemption and the Transfer.

Unitholders will be entitled to elect to have (i) none, (ii) 25%, (iii) 50%, (iv) 58%, (v) their Pro Rata Percentage, or (vi) 100% of their outstanding REIT units acquired by Dundee REIT and GE Real Estate at \$47.50

cash per unit, subject to the requirement that the Acquired Number of Units will be and must be acquired, and subject to proration in certain circumstances as described below. **Unitholders who do not make an election before the Election Time will be deemed to have elected to have none of their REIT units acquired pursuant to the Redemption and the Transfer.**

Registered unitholders who wish to make an election must deliver a completed and validly executed Letter of Transmittal and Election Form to the Depositary by 5:00 p.m. (Toronto time) on the Closing Date (the “Election Time”). A Letter of Transmittal and Election Form must be completed and delivered in the manner described therein. Please refer to the instructions set out in the Letter of Transmittal and Election Form.

Unitholders Making a Pro Rata Election

Unitholders who elect to have their Pro Rata Percentage of REIT units acquired will receive cash in the amount of \$47.50 per unit for their Pro Rata Percentage of REIT units acquired pursuant to the Redemption and the Transfer, and will retain the balance of their REIT units.

Unitholders Making a Unit Election

Unitholders who elect to have their REIT units acquired pursuant to a Unit Election will receive cash in the amount of \$47.50 for none, 25%, 50% or 58% of their REIT units, and will retain the balance of their REIT units. However, if the Elected Number of Units is less than the Acquired Number of Units, those unitholders who made a Unit Election and unitholders who made no election and are therefore deemed to have elected to have none of their REIT units acquired will be subject to a pro rata redemption and transfer of additional REIT units such that the Acquired Number of Units are acquired pursuant to the Redemption and the Transfer. In these circumstances, each holder of REIT units or LP Units as of the Election Time (other than any unitholder who made a Pro Rata Election or Cash Election) will have and will be deemed to have an additional number of REIT units acquired pursuant to the Redemption and the Transfer equal to that percentage (the “**Required Percentage**”) of REIT units and LP Units held by each such holder, assuming the Redemption and the Transfer of the Elected Number of Units had become effective, determined by the following formula:

$$\text{Required Percentage (expressed as a percentage)} = \frac{V - X}{Y - Z} \times 100$$

where:

V = Acquired Number of Units

X = Elected Number of Units

Y = total number of REIT units and LP Units outstanding (assuming the Redemption and the Transfer of the Elected Number of Units had become effective)

Z = total number of REIT units and LP Units held by unitholders who made a Pro Rata Election (assuming the Redemption and the Transfer of the Elected Number of Units had become effective)

Only holders of REIT units and LP Units who made a Unit Election and unitholders who made no election and are therefore deemed to have elected to have none of their REIT units acquired will be subject to the acquisition of additional REIT units in these circumstances.

Unitholders Making a Cash Election

Unitholders who elect to have 100% of their REIT units acquired pursuant to a Cash Election will receive cash in the amount of \$47.50 per unit for all of their REIT units, unless the Elected Number of Units exceeds the Acquired Number of Units. In these circumstances, the number of REIT units acquired from holders making a Cash Election pursuant to the Redemption and the Transfer will be subject to proration such that the Acquired Number of Units are acquired pursuant to the Redemption and the Transfer. Only unitholders who made a Cash Election will be subject to proration in these circumstances.

Effect of the Redemption and Transfer

From and after the date of acquisition of REIT units pursuant to the Redemption and the Transfer, holders of any acquired REIT units (including REIT units to be obtained upon the surrender or exchange of LP Units, as applicable) will cease to be holders of such REIT units and will not be entitled to exercise any of the rights of a

holder of such REIT units other than the right to receive \$47.50 cash per formerly held REIT unit, to be paid to the holder following delivery of a completed and validly executed Letter of Transmittal and Election Form accompanied by the certificates representing the formerly held REIT units.

Unitholders will not be able to elect whether their REIT units are redeemed by Dundee REIT or transferred to GE Real Estate. Rather, each holder of REIT units subject to the Redemption and the Transfer will be deemed to have had a percentage (expected to be approximately 90%) of its REIT units redeemed by Dundee REIT and to have transferred a percentage (expected to be approximately 10%) of its REIT units to GE Real Estate. The Canadian federal income tax consequences of the Redemption differ from the Canadian federal income tax consequences of the Transfer. See "Certain Canadian Federal Income Tax Considerations".

Where the number of REIT units to be acquired pursuant to the Redemption and the Transfer would result in a fraction of a REIT unit to be acquired, the number of REIT units acquired will either be rounded up (if the fractional interest is 0.5 or more) or down (if the fractional interest is less than 0.5) and the amount of cash to be received by such unitholder will correspondingly be either increased or decreased (on the basis of \$47.50 cash per unit). As a result of such rounding and payments, it is possible that the actual number of REIT units acquired pursuant to the Redemption and the Transfer will modestly exceed the sum of the Redemption Number of Units and 3,473,684 (which would otherwise be the maximum number of REIT units subject to the Redemption and the Transfer).

All questions as to the number of REIT units to be redeemed and transferred, the aggregate price to be paid therefor, and the form of documents will be ultimately determined by Dundee REIT, in its sole discretion, but consistent with the Purchase Agreement, which determination will be final and binding. Dundee REIT reserves the absolute right to reject any or all elections considered by it not to be in proper form. Dundee REIT also reserves the absolute right to waive any defect or irregularity in any election. No election to have REIT units acquired will be deemed to be properly made until all defects and irregularities have been cured or waived. Neither Dundee REIT nor any other person will be under any duty to give notification of any defect or irregularity in a Letter of Transmittal and Election Form or incur any liability for failure to give any such notice.

Payment and Delivery of New Unit Certificates

The amount of \$47.50 cash per REIT unit acquired pursuant to the Redemption and the Transfer, net of any applicable withholding taxes, will be paid by cheque issued to the order of the person signing the relevant Letter of Transmittal and Election Form or to the order of such other person as identified by the person signing such Letter of Transmittal and Election Form, by properly completing the box captioned "Special Payment Instructions" in such Letter of Transmittal and Election Form and forwarded to such person by first-class mail (unless the person signing the Letter of Transmittal and Election Form instructs the Depositary to hold such cheque for pick-up). In the absence of an address being provided, cheques will be forwarded to the address of the person as shown on the unit register for REIT units.

Dundee REIT and GE Real Estate will provide the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to unitholders whose REIT units have been acquired pursuant to the Redemption and the Transfer. Receipt of payment by the Depositary will be deemed to constitute receipt of payments by unitholders. Dundee REIT understands that the Depositary intends to deliver cash net of any applicable withholding taxes in respect of REIT units acquired pursuant to the Redemption and the Transfer, together with new unit certificates for REIT units retained by registered unitholders following the Redemption and the Transfer, on or before the second business day after the date on which the Redemption and the Transfer is completed. If the completion of the sale of the Purchased Assets occurs on Friday, August 24, 2007 and the completion of the Redemption and the Transfer occurs on Monday, August 27, 2007, it is anticipated that delivery of cash and new unit certificates will occur on or before Wednesday, August 29, 2007.

Under no circumstances will interest or other amounts accrue or be paid by Dundee REIT, GE Real Estate or the Depositary on the amount payable to unitholders whose REIT units are acquired pursuant to the Redemption and the Transfer, regardless of any delay in making such payment.

Special Considerations for Participants in the Distribution Reinvestment Plan and Holders of Other Securities

Distribution Reinvestment Plan Participants

In connection with the Transaction, the Distribution Reinvestment Plan was temporarily suspended effective as of June 28, 2007. The Distribution Reinvestment Plan is anticipated to be reinstated in January 2008.

Computershare Trust Company of Canada, the Plan Agent who administers the Distribution Reinvestment Plan, is not authorized to make elections or surrender REIT units on behalf of any participants. **Unitholders who are participants in the Distribution Reinvestment Plan must terminate their participation in the Distribution Reinvestment Plan in order to surrender any of their REIT units (including REIT units not held in the Distribution Reinvestment Plan) and make an election in respect thereof in accordance with the Letter of Transmittal and Election Form.** This is because holders wishing to make an election with respect to the Redemption and the Transfer must surrender all of their REIT units held. **Failure to terminate participation in the Distribution Reinvestment Plan will invalidate any election in respect of REIT units to be acquired pursuant to the Redemption and the Transfer with the consequence that the holder will be deemed to have elected to have none of its REIT units acquired.** Registered unitholders who are participants in the Distribution Reinvestment Plan may terminate their participation in the Distribution Reinvestment Plan by checking the appropriate box on the Letter of Transmittal and Election Form or contacting the Plan Agent.

Non-registered unitholders who are enrolled in the Distribution Reinvestment Plan are strongly encouraged to contact their intermediaries through which they hold REIT units in order to obtain instructions as to how to terminate their participation in the Distribution Reinvestment Plan and make an election in respect of the Redemption and the Transfer.

Holders of Convertible Debentures

Dundee REIT currently has two series of outstanding debentures which are convertible into Units in accordance with their terms, being the 5.7% Debentures and the 6.5% Debentures.

The 5.7% Debentures and the 6.5% Debentures will not be acquired, repaid or modified pursuant to the Redemption and the Transfer, and will remain outstanding following completion of the Redemption and the Transfer, except to the extent that holders exercise the conversion rights of such Debentures and obtain Units in accordance with their terms. Dundee REIT will remain fully liable under the Debentures and each Debenture will continue to be convertible into Units at the option of the holder in accordance with its terms following the completion of the Redemption and the Transfer.

Holders of 5.7% Debentures and 6.5% Debentures are advised that any conversion of such debentures in accordance with their terms will be irrevocable, irrespective of whether the sale of the Purchased Assets to GE Real Estate and the Redemption and the Transfer are completed, and irrespective of whether all of the Units acquired upon a conversion of such debentures are acquired pursuant to the Redemption and the Transfer.

Holders of LP Units

All of the issued and outstanding LP Units are currently held by Affiliates of Dundee Corporation. LP Units may be surrendered or exchanged for REIT Units, Series B in accordance with the terms and conditions applicable to the LP Units. A holder of LP Units will be permitted to elect to have the appropriate number of REIT Units, Series B (obtained upon the surrender or exchange of the appropriate number of LP Units) acquired pursuant to the Redemption and the Transfer.

Dundee REIT has agreed that the Dundee Group will be entitled to collectively make a Unit Election to have 58% of their aggregate holdings of LP Units and REIT units acquired pursuant to the Redemption and the Transfer, excluding Pledged Securities. The holder of the Pledged Securities will not make an election in respect of the Pledged Securities and, accordingly, will be deemed to have elected to have none of the Pledged Securities acquired.

As a result of the foregoing, following the Redemption and the Transfer, the Dundee Group is expected to hold an aggregate of approximately 3.5 million LP Units, REIT Units and Deferred Units, as well as the remaining Pledged Securities. However, in the event that the Elected Number of Units is less than the Acquired Number of Units, the Dundee Group will be subject to the Redemption and the Transfer of additional Units and/or REIT Units, Series B to be obtained upon the surrender or exchange of LP Units in the same manner as other holders of REIT

Units who make a Unit Election. See “— Mechanics of Redemption and Transfer and Procedures for Elections — Unitholders Making a Unit Election”. Accordingly, it is possible that REIT units representing more than 58% of the Dundee Group’s aggregate holdings of LP Units and REIT units will be acquired from the Dundee Group pursuant to the Redemption and the Transfer.

Holders of Deferred Units

Dundee REIT has a Deferred Unit Incentive Plan in which trustees, officers and employees of Dundee REIT, its Subsidiaries and consultant companies participate. The Transaction would constitute a change in control for the purposes of the Deferred Unit Incentive Plan. As such, in accordance with its terms, all Deferred Units outstanding under the Deferred Unit Incentive Plan will vest immediately prior to the completion of the Transaction, entitling each participant to receive one REIT Unit, Series A for each Deferred Unit held.

Under the terms of the Deferred Unit Incentive Plan, Dundee REIT will make arrangements for every holder of Deferred Units, other than certain holders as described below, to be issued Units in respect of all of such holder’s Deferred Units immediately prior to the Election Time in order that such holders may make a Pro Rata Election or Unit Election in respect of such Units.

Dundee REIT intends to enter into an agreement with each Trustee and senior officer of Dundee REIT and with each employee of Dundee Realty Management Corp. who will be employed by DRC following the Transaction, in each case, who holds Deferred Units. The agreement will provide that, in consideration for the holder agreeing to defer the issuance of Units in respect of all of its Deferred Units until after January 1, 2008, Dundee REIT will purchase for cancellation at the Effective Time, at the election of the holder, 25%, 50%, 58% or the Pro Rata Percentage of the holder’s Deferred Units for \$47.50 cash per Deferred Unit. The purchase of any Deferred Units will be funded from the Cash Proceeds and will not exceed \$6.5 million. These arrangements are being made to limit the number of Units issued by Dundee REIT in 2007 in respect of Deferred Units. Michael J. Cooper, Vice Chairman and Chief Executive Officer, has advised Dundee REIT that he will not elect to have any of his Deferred Units purchased. Pursuant to the Purchase Agreement, Dundee REIT has covenanted, among other things, to issue not more than 45,000 Units to the extent necessary in respect of the Deferred Unit Incentive Plan after reasonable commercial efforts have been taken by Dundee REIT to otherwise satisfy its obligations under the Deferred Unit Incentive Plan.

CDS Book-Based Transfer

The Depositary has established an account at CDS for each available election (i.e., none, 25%, 50%, 58%, Pro Rata and 100%) for the purpose of the Redemption and the Transfer. Any financial institution that is a participant in CDS may cause CDS to make a book-based transfer of Units into the appropriate account in accordance with CDS procedures for such transfer. The surrender of Units through the CDS book-based transfer system (“CDSX”) will constitute a valid election and surrender under the terms of the Redemption and the Transfer.

Unitholders, and their respective CDS participants, who utilize CDSX to elect to have Units acquired by surrendering their Units through a book-based transfer of Units into one of the Depositary’s accounts with CDS will be deemed to have completed and submitted a Letter of Transmittal and Election Form (including to have elected to have the percentage of their Units corresponding to the account into which their Units are transferred acquired pursuant to the Redemption and the Transfer) and to be bound by the terms thereof and to have acknowledged that Dundee REIT and GE Real Estate may enforce such terms against the applicable unitholder and the applicable CDS participant as the case may be and therefore any book-based transfer of Units into one of the Depositary’s accounts at CDS in accordance with CDS procedures will be considered a valid election and transfer in accordance with the terms of the Redemption and the Transfer.

THE PURCHASE AGREEMENT AND RELATED AGREEMENTS

Overview of Agreements

Dundee REIT and its subsidiaries, Trust A, Trust B and Dundee Properties LP have entered into the Purchase Agreement with GE Real Estate, which sets out the terms and conditions upon which the parties will complete the Transaction. Neither Dundee Corporation nor DRC is a party to the Purchase Agreement.

Concurrently with the execution of the Purchase Agreement, GE Real Estate entered into the Lock-Up Agreement with certain unitholders of Dundee REIT. The units of Dundee REIT subject to the Lock-Up Agreement represent an aggregate of approximately 17.6% of the outstanding units of Dundee REIT as at June 3, 2007. Pursuant to the Lock-Up Agreement, these unitholders have agreed with GE Real Estate to use their best efforts to do all things necessary to consummate the Transaction, including by voting in favour of the Special Resolution, not soliciting or facilitating an Acquisition Proposal and not selling or conveying any interest in their units, except as provided in the Lock-Up Agreement.

Immediately prior to execution of the Lock-Up Agreement, Dundee Corporation, DRC, Dundee REIT and GE Real Estate entered into the Side Letter providing for the terms and conditions pursuant to which (i) DRC will execute the Asset Management Agreement with Dundee REIT and the asset management agreement with GE Real Estate on Closing, and (ii) certain subsidiaries of Dundee Corporation, including DRC, agreed to execute the Lock-Up Agreement. In the Side Letter, Dundee REIT provided a number of covenants in favour of Dundee Corporation and DRC, including that it would not amend, modify, supplement or restate the Purchase Agreement except in limited circumstances, nor waive certain conditions in the Purchase Agreement in its favour.

The Transaction contemplates that DRC will enter into the Asset Management Agreement with Dundee REIT and certain of its Affiliates on Closing to provide for asset management services in respect of the Western Portfolio. DRC will also enter into an asset management agreement with GE Real Estate on Closing to provide for asset management services in respect of the Eastern Portfolio. On completion of the Transaction, Dundee REIT will have no interest in either the Eastern Portfolio or the asset management agreement with GE Real Estate.

Pursuant to the Purchase Agreement, Dundee REIT agreed with GE Real Estate to certain restrictions on the issuance of additional units of Dundee REIT prior to January 1, 2008 in order for Dundee REIT to not exceed the Normal Growth Guidelines. Dundee REIT is permitted, however, to issue Units to Dundee Corporation or one of its affiliates on the conversion by them of REIT Units, Series B to the extent necessary to prevent Dundee Corporation from breaching its obligations to deliver Units pursuant to the terms of the Exchangeable Debentures of Dundee Corporation which are exchangeable for Units. However, Dundee REIT may only do so after reasonable commercial efforts have been taken by Dundee Corporation to otherwise obtain Units.

With the approval of Dundee REIT and the acknowledgement of GE Real Estate, Michael J. Cooper agreed with Dundee Corporation to provide Units to Dundee Corporation from his personal holdings in exchange for REIT Units, Series B held by Dundee Corporation in order to assist Dundee Corporation with satisfying its obligations under the Exchangeable Debentures prior to January 1, 2008 without the issuance by Dundee REIT of additional Units. The terms pursuant to which Mr. Cooper agreed to such arrangements are set out in the Binding Term Sheet which was executed by Dundee REIT, Dundee Corporation, Michael J. Cooper and a corporation all of the common shares of which are owned by him concurrently with the execution of the Purchase Agreement.

GE Real Estate will also enter into an administrative services agreement with Dundee Management LP on Closing pursuant to which Dundee Management LP will, for a two-year term, provide general office support services, including information systems support, human resources and payroll services, regulatory compliance services, accounting services and such other services as GE Real Estate may reasonably request from time to time and which Dundee Management LP, acting reasonably, agrees to perform.

Summary of Purchase Agreement

The following summary describes certain material provisions of the Purchase Agreement and is subject to, and qualified in its entirety by reference to, the Purchase Agreement, a copy of which is annexed as Appendix E to this Circular and was filed on SEDAR at www.sedar.com. A copy of the amendment to the Purchase Agreement dated July 13, 2007 with the modified form of Asset Management Agreement is annexed as Appendix F to this Circular.

Purchase and Sale of Purchased Assets

The Purchase Agreement provides that at Closing the Vendors will sell to the Purchaser and the Purchaser will purchase the Purchased Assets for a purchase price of \$2,439,173,464 plus the Cap Ex and Development Amount, less the aggregate value ascribed to the Holdback Properties. At Closing, the Purchaser will satisfy the purchase price by assuming the Assumed Liabilities and making a payment by wire transfer of \$1,523,259,010 plus the Cap Ex and Development Amount less the aggregate value ascribed to the Holdback Properties.

Dundee REIT agreed to apply all of the cash proceeds received from the sale of the Purchased Assets to redeem REIT units from unitholders at price of \$47.50 per unit. The Purchase Agreement contemplates that such purchase will be effected by a substantial issuer bid but the parties have since determined to proceed by means of the Redemption.

Conditions of the Transaction

The Purchase Agreement provides that completion of the Transaction is subject to the following mutual conditions:

- (a) the Purchase Agreement shall not have been terminated in accordance with the termination provisions of the Purchase Agreement (see “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” below);
- (b) the Unitholder Approval shall have been obtained;
- (c) no cease trade order, injunction or other prohibition under any applicable Law or imposed by any Governmental Authority shall exist which would make the consummation of the Transaction illegal;
- (d) the Regulatory Approvals shall have been obtained or concluded on terms and conditions that do not adversely affect the activities of GE Real Estate or the Purchaser or their respective Affiliates in any material respect and no Governmental Authority shall have advised GE Real Estate or the Purchaser that it intends to seek to impose any restriction on their respective activities as a result of the Transaction that would adversely affect GE Real Estate or the Purchaser or their respective Affiliates in any material respect;
- (e) no law or regulation relating to Taxes and no interpretation thereof by any Governmental Authority shall have been announced, proposed, enacted, promulgated or applied, in each case after the date of the Purchase Agreement, which would have a material adverse effect on the ability of Dundee REIT or the Purchaser to consummate the Transaction; and
- (f) each of the Declaration of Trust, the Dundee Limited Partnership Agreement, the Exchange and Support Agreement, the Governance Agreement and the declarations of trust of the Operating Trusts shall have been amended, in form and substance satisfactory to GE Real Estate and Dundee REIT, each acting reasonably, as contemplated by the term sheet attached as Schedule E to the Purchase Agreement.

In addition, Dundee REIT’s obligation to complete the Transaction is conditional on the satisfaction of the following conditions:

- (a) the Purchaser shall have performed and complied in all material respects with its covenants and agreements required by the Purchase Agreement and Dundee REIT shall have received a certificate of the Purchaser dated as of the Closing Date confirming same;
- (b) the representations and warranties of GE Real Estate and the Purchaser must be true and correct as of the date of the Purchase Agreement and as of the Closing Date (except to the extent that any such representation or warranty by its terms is expressly limited to a specific date, in which case as of such specific date), except to the extent that any breach thereof would not individually or in the aggregate reasonably be expected to have a material adverse affect on the ability of the Purchaser to consummate the Transaction and Dundee REIT shall have received a certificate of the Purchaser dated as of the Closing Date confirming same; and
- (c) DRC shall have executed and delivered the Asset Management Agreement with Dundee REIT.

In addition, the Purchaser's obligation to complete the Transaction is conditional on the satisfaction of the following conditions:

- (a) the Vendors shall have performed and complied in all material respects with their covenants and agreements required by the Purchase Agreement and GE Real Estate and the Purchaser shall have received a certificate of Dundee REIT dated as of the Closing Date confirming same;
- (b) with the exception of certain fundamental representations and warranties which must be true and correct in all material respects, the representations and warranties of the Vendors must be true and correct as of the date of the Purchase Agreement and as of the Closing Date (except to the extent that any such representation or warranty by its terms is expressly limited to a specific date, in which case as of such specific date), except to the extent that any breach thereof would not individually or in the aggregate reasonably be expected to result in a Big MAC and GE Real Estate and the Purchaser shall have received a certificate of Dundee REIT dated as of the Closing Date confirming same;
- (c) no Big MAC shall have occurred and GE Real Estate and the Purchaser shall have received a certificate of Dundee REIT dated as of the Closing Date confirming same;
- (d) the Board (with interested Trustees abstaining) shall have unanimously recommended that the unitholders vote for the Special Resolution and shall not have withdrawn such unanimous recommendation or changed, modified or qualified such unanimous recommendation in any manner adverse to GE Real Estate or the Purchaser;
- (e) DRC shall have executed and delivered an asset management agreement with each of the Purchaser and Dundee REIT, substantially in the respective forms of asset management agreement attached to the Disclosure Letter and as Schedule F to the Purchase Agreement, respectively;
- (f) Dundee Management LP and Dundee Realty Management Corp. shall have executed and delivered a sub-administrative services agreement with the Purchaser and Dundee Management LP shall have executed and delivered an administrative services agreement with the Purchaser, in each case in form and substance satisfactory to GE Real Estate, acting reasonably, and consistent with the terms and conditions described in the term sheet attached as Schedule G to the Purchase Agreement;
- (g) the Lock-Up Agreement shall not have been terminated and none of the parties thereto (other than GE Real Estate) shall have breached, in any material respect, any representation, warranty, covenant or agreement therein;
- (h) GE Real Estate and the Purchaser shall have received tax opinions of Wilson & Partners LLP, dated the Closing Date in the form attached to the Disclosure Letter; and
- (i) Dundee REIT shall have executed and delivered a registration rights agreement with the Purchaser in form and substance satisfactory to GE Real Estate, acting reasonably, pursuant to which the Purchaser would be granted (i) one demand registration right per year (at the Purchaser's expense), and (ii) unlimited piggyback registration rights, subject to pro rata underwriters' cutback (at Dundee REIT's expense, other than underwriters' discounts and commissions).

Representation and Warranties

The Purchase Agreement contains a number of customary and other representations and warranties of the Vendors relating to, among other things, the organization, standing and power of Dundee REIT and each of its Subsidiaries and the authority to own their properties and conduct their activities and business as presently owned and conducted; their capitalization; execution; no violations; required consents and authorizations; absence of material changes; their financial statements; compliance with applicable Laws; the absence of any claim, grievance, action, proceeding or investigation which would reasonably be expected to result in a Big MAC; accuracy of public disclosure filings; full disclosure; their real property; brokers; their licenses and permits; their material contracts; tax matters; their intellectual property; environmental, health and safety matters; their pensions and benefits plans; labour matters; votes by Trustees and officers of Dundee REIT; accuracy of the management information circular; sufficiency of their assets; and personal data and privacy matters.

Covenants of the Vendors

Each of the Vendors has covenanted and agreed that, until the Closing or the earlier termination of the Purchase Agreement, subject to limited exceptions, it will and will cause its Subsidiaries to carry on its undertaking in the ordinary and regular course, in compliance, in all material respects, with all applicable Law and in substantially the same manner as heretofore conducted (provided, however, that Dundee REIT and its Subsidiaries may engage in an activity exclusively related to the Western Undertaking outside of the ordinary course after prior written notice of such activity is given to GE Real Estate and provided such activity does not violate investment guidelines or operating policies of Dundee Properties LP). Each of the Vendors has also agreed to a number of negative and positive covenants related to carrying on its undertaking in the ordinary and regular course.

In addition, each of the Vendors has covenanted and agreed to, and to cause its Subsidiaries to, perform all obligations reasonably required to be performed by the Vendors or their respective Subsidiaries under the Purchase Agreement, co-operate with GE Real Estate and the Purchaser in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the Transaction.

GE Real Estate and the Vendors have agreed that, at or prior to the Closing, Dundee REIT or one of its Subsidiaries may pay up to \$5.0 million to DRC as a reserve in connection with certain severance obligations that may become payable to those employees of Dundee Realty Management Corp. that will be transferred to DRC on Closing. However, the independent committee has agreed to a payment by Dundee REIT or one of its Subsidiaries in the amount of \$2.0 million for actual severance obligations and transaction bonuses, and Dundee REIT expects to make a payment in this amount to DRC at or prior to Closing.

Working Capital Adjustment

No later than 30 days after the Closing Date, Dundee Properties LP will cause to be prepared and delivered to the Purchaser the Closing Working Capital Documents.

The Cash Purchase Price will be: (a) increased dollar-for-dollar by the amount that the Closing Working Capital is greater than the Estimated Working Capital; or (b) decreased dollar-for-dollar by the amount that the Closing Working Capital is less than the Estimated Working Capital, in each case as determined in accordance with the procedures set forth in the Purchase Agreement. The amount of any increase (or decrease) to the Cash Purchase Price will be paid by the Purchaser (or Dundee Properties LP) to Dundee Properties LP (or the Purchaser). All such payments will accrue interest at the rate of 5% per annum, during the period commencing on the Closing Date to but excluding the date of such payment.

Funded Debt Adjustment

No later than 10 Business Days after the Closing Date, Dundee Properties LP will cause to be prepared and delivered to the Purchaser the Closing Funded Debt Statement, prepared in the same manner as set out in the Disclosure Letter.

The Cash Purchase Price will be: (a) decreased dollar-for-dollar by the amount that the Closing Funded Debt is greater than the Estimated Funded Debt; or (b) increased dollar-for-dollar by the amount that the Closing Funded Debt is less than the Estimated Funded Debt. The amount of any increase (or decrease) to the Cash Purchase Price will be paid by the Purchaser (or Dundee Properties LP) to Dundee Properties LP (or the Purchaser). All such payments will accrue interest at the rate of 5% per annum, during the period commencing on the Closing Date to but excluding the date of such payment.

Pre-Closing Transactions

GE Real Estate and the Purchaser shall have the option, in their sole discretion and without requiring the further consent of any of the Vendors, upon reasonable notice to Dundee REIT, to have Dundee REIT use (and to cause Dundee REIT to cause each of its Subsidiaries to use) its reasonable commercial efforts to, no more than five Business Days prior to the Closing, effect the Pre-Closing Transactions. The Purchaser shall, upon request by Dundee REIT, advance to Dundee REIT all reasonable out-of-pocket costs to be incurred by Dundee REIT or, promptly upon request by Dundee REIT, reimburse Dundee REIT for all reasonable out-of-pocket costs incurred by Dundee REIT in connection with the Pre-Closing Transactions.

Non-Solicitation

Dundee REIT has agreed that it will not, directly or indirectly, through any trustee, officer, director, employee, agent or representative of Dundee REIT or any of its Subsidiaries, and shall not permit any such person to, (i) solicit, initiate, encourage, invite or otherwise facilitate (including by way of furnishing non-public information or entering into any form of agreement, letter of intent, arrangement or understanding or providing any other form of assistance) any inquiries or proposals regarding, or other action that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, (ii) participate in any discussions or negotiations in furtherance of such inquiries or proposals or regarding any Acquisition Proposal or release any person from, or fail to enforce, any confidentiality or standstill agreement or similar obligation to Dundee REIT or any of its Subsidiaries, (iii) approve, recommend or remain neutral with respect to any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until 15 calendar days following the formal commencement of a take-over bid that constitutes an Acquisition Proposal shall not be considered to be in violation of the Purchase Agreement), (iv) accept or enter into any agreement, letter of intent, arrangement or understanding, or propose publicly to accept or enter into any agreement, letter of intent, arrangement or understanding related to any Acquisition Proposal (other than a permitted confidentiality agreement), or (v) withdraw, modify or qualify, or publicly propose to withdraw, modify or qualify, in any manner adverse to GE Real Estate or the Purchaser, the unanimous approval or recommendation of the Board (including any committee thereof) of the Purchase Agreement or the Transaction.

Notwithstanding the foregoing, until Unitholder Approval is obtained, nothing shall prevent the Board from complying with Dundee REIT's disclosure obligations under applicable Law (including by responding through a directors' circular or otherwise as required by applicable Securities Laws) with regard to a bona fide written, unsolicited Acquisition Proposal or, following the receipt of any such Acquisition Proposal from a third party (that did not result from any breach of Dundee REIT's non-solicitation obligations), from furnishing or disclosing non-public information to such Person if and only to the extent that: (a) the Board believes in good faith (after consultation with its financial advisor and outside legal counsel) that such Acquisition Proposal if consummated would reasonably be expected to result in a Superior Proposal; (b) such third party has entered into a permitted confidentiality agreement having substantially the same terms as the Confidentiality Agreement (including the standstill contained therein) and Dundee REIT sends a correct and complete copy of any such confidentiality agreement to GE Real Estate as soon as practicable following its execution and GE Real Estate is provided, as soon as practicable, with a list of, or in the case of information that was not previously made available to GE Real Estate, correct and complete copies of, all information provided to such Person; and (c) such third party is provided access to such non-public information for a period of no more than seven calendar days.

Superior Proposal and Right to Match

Notwithstanding the foregoing, until Unitholder Approval is obtained, the Board may withdraw or modify its approval and recommendation of the Transaction, or accept, approve or recommend or enter into any agreement, letter of intent, arrangement or understanding providing for a bona fide written, unsolicited Acquisition Proposal (that did not result from a breach of Dundee REIT's non-solicitation obligations) (a **"Proposed Agreement"**) if and only to the extent that: (a) Dundee REIT has provided GE Real Estate with a correct and complete copy of all of the documents in its possession relating to the Acquisition Proposal, (b) the Board believes in good faith (after consultation with its financial advisor and outside legal counsel) that such Acquisition Proposal constitutes a Superior Proposal and has promptly notified GE Real Estate of such determination, (c) the Matching Period has elapsed following the later of (i) the date GE Real Estate received written notice advising GE Real Estate that the Board has resolved to withdraw or modify its approval and recommendation of the Transaction or accept, approve or recommend or enter into a Proposed Agreement in respect of such Superior Proposal; and (ii) the date GE Real Estate received a correct and complete copy of the documentation related to such Superior Proposal; (d) if GE Real Estate has proposed to amend the Purchase Agreement, the Board has again made the determination contemplated in clause (b) above taking into account such proposed amendments; and (e) if Dundee REIT proposes to enter into any Proposed Agreement (other than a confidentiality agreement regarding the disclosure of non-public information), Dundee REIT shall have complied with the Termination and Termination Payment provisions of the Purchase Agreement, as described below. The preparation and delivery of a directors' circular pursuant to Section 99 of the Securities Act relating to an Acquisition Proposal shall be deemed to be a qualification, withdrawal or modification of the Board's recommendation of the Purchase Agreement and the Transaction unless the Board expressly, and

without qualification, unanimously reaffirms its recommendation of the Purchase Agreement and the Transaction in such disclosure.

During the Matching Period, GE Real Estate has the right, but not the obligation, to propose to amend the terms of the Purchase Agreement. The Board will review in good faith any proposal by GE Real Estate to amend the terms of the Purchase Agreement in order to determine (after consultation with its financial advisor and outside legal counsel) whether the Purchase Agreement and the Transaction, taking into account GE Real Estate's proposed amendments would, if consummated in accordance with the terms thereof, result in the Superior Proposal ceasing to be a Superior Proposal. If the Board so determines, Dundee REIT will enter into an amended Purchase Agreement with GE Real Estate reflecting such proposed amendment.

Each successive modification or amendment to an Acquisition Proposal constitutes a new Acquisition Proposal. Consequently, if any bona fide Acquisition Proposal is amended the foregoing provisions shall apply.

Covenants of GE Real Estate and the Purchaser

GE Real Estate has unconditionally and irrevocably guaranteed, and covenanted and agreed to be jointly and severally liable with the Purchaser for, the due and punctual performance of each and every obligation of the Purchaser arising under the Purchase Agreement.

The Purchaser has agreed to, effective the opening of business on the Closing Date, offer in writing to employ on and after the Closing Date certain employees of Dundee Realty Management Corp. on comparable terms and conditions of employment no less favourable in the aggregate than are in effect on the date of the Purchase Agreement, and the Purchaser has agreed to assume and discharge all Liabilities for wages (from and after the Closing), severance pay, termination pay, notice of termination of employment or pay in lieu of such notice or other employee benefits, including vacation pay in respect of all employees employed by the Purchaser and to indemnify and save the Vendors and their Subsidiaries harmless in connection therewith.

GE Real Estate Investment

Subject to and conditional upon the completion of the purchase and sale of the Purchased Assets by the Purchaser and provided that no Western MAC has occurred, immediately after the redemption of REIT units by Dundee REIT, the Purchaser has agreed to purchase 3,473,684 REIT units at a price per unit of \$47.50 in cash from unitholders, which will be effected pursuant to the Transfer; provided, however, that the Purchaser will not be required to purchase more than 694,736 REIT Units, Series B from unitholders.

Mutual Covenants of Dundee REIT and GE Real Estate and the Purchaser

Each of Dundee REIT, GE Real Estate and the Purchaser have agreed to make (i) any merger notification filings or other submissions pursuant to the Competition Act as may be appropriate and advisable as promptly as reasonably practicable and to supply as promptly as reasonably practicable any additional information and documentary material that may be reasonably requested by the Commissioner and to take all other reasonable actions necessary, proper or advisable to cause the expiration, waiver or termination of any applicable waiting periods and to obtain Competition Act clearance as soon as reasonably practicable; and (ii) any application for review required under the Investment Canada Act and any other submissions pursuant to the Investment Canada Act as may be appropriate or advisable as promptly as reasonably practicable and to supply as promptly as reasonably practicable any additional information and documentary material that may be reasonably requested by the Minister or the responsible Director of Investments and to take all other reasonable actions necessary, proper or advisable to obtain the Investment Canada Act approval as soon as reasonably practicable.

The Purchaser and the Vendors have agreed to use reasonable commercial efforts to obtain (a) the consent, if required, from each mortgagee of the Funded Debt to the transfer of the applicable Assumed Property and Nominee Shares to the Purchaser and the assumption by the Purchaser of all obligations in respect of the applicable mortgage of the owner(s) of the applicable Assumed Property, and (b) the release of Dundee Properties LP and each of its Subsidiaries (other than the applicable Nominee) from any and all Liabilities under Funded Debt on Closing. To the extent that such releases are not obtained in respect of an Assumed Property by Closing, GE Real Estate and the Purchaser have agreed to jointly and severally indemnify Dundee Properties LP and its applicable Subsidiaries from all costs, claims, demands, damages or expenses incurred by them as a result of any default of the Purchaser under the terms of the applicable Funded Debt.

Subject to limited exceptions, Dundee REIT will not, and will cause its Subsidiaries not to, until 18 months after the Closing Date, solicit or hire, directly or indirectly, any officers or employees employed by GE Real Estate or any Affiliate thereof in connection with the Canadian real estate business of GE Real Estate or its Affiliates, and neither GE Real Estate nor the Purchaser will, until 18 months after the Closing Date, solicit or hire, directly or indirectly, any officers of Dundee REIT or any Affiliate thereof or any employees employed by Dundee REIT or any Affiliate thereof.

GE Real Estate and Dundee REIT have also agreed to various arrangements regarding tax matters, including: (a) if permitted by applicable Law, to jointly elect under subsection 167(1) of Part IX of the Excise Tax Act (Canada), and any applicable provincial or territorial equivalent provision; (b) that each of the Vendors shall, and shall cause their Subsidiaries which are conveying Purchased Assets to, deliver to the Purchaser a certificate issued by the Ontario Ministry of Finance pursuant to section 6 of the Retail Sales Tax Act (Ontario) and the equivalent applicable Laws in the other provinces of Canada; (c) that Dundee REIT will not take any action or permit any of its Subsidiaries to take any action that would reasonably be expected to cause Dundee REIT, at any time prior to Closing or at any time prior to January 1, 2008, to exceed the Normal Growth Guidelines; (d) that Dundee REIT will not take any action or permit any of its Subsidiaries to take any action that could reasonably be expected to prevent or materially impair the ability of Dundee REIT from qualifying as a "real estate investment trust" for purposes of the Tax Act; (e) that, with respect to all distributions made to unitholders in the period commencing on January 1, 2007 and ending at the time immediately before REIT units are acquired by the Purchaser, Dundee REIT will take all necessary steps to evidence and confirm irrevocably that a sufficient proportion of such distributions represented the payment of income and net realized capital gains for trust and income tax purposes to the unitholders that received such distributions, such that Dundee REIT would not be liable for tax under Part I of the Tax Act for its taxation year ending on December 31, 2007; (f) that Dundee REIT will take all necessary steps to evidence and confirm irrevocably that all Transaction Income, Gains and Recapture will be treated as having been paid in the taxation year ending December 31, 2007 to unitholders whose REIT units have been redeemed by Dundee REIT in connection with the Transaction. Dundee REIT, when computing its income for the taxation year ending December 31, 2007, is entitled to and will claim a deduction pursuant to subsection 104(6) of the Tax Act in an amount equal to the Transaction Income, Gains and Recapture, and such amount will be included in the income and net realized capital gains for tax purposes of the unitholders whose REIT units have been redeemed by Dundee REIT in connection with the Transaction; (g) that, subject to limited exceptions, prior to January 1, 2008, Dundee REIT will not split, consolidate, classify or reclassify any of the outstanding equity interests of Dundee REIT or any of its Subsidiaries; declare, set aside or pay any distributions in any REIT units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT units or other such convertible or exchangeable securities; sell, pledge, encumber, allot, reserve, set aside or issue, purchase or redeem, or authorize or propose any of the foregoing with respect to, any REIT units or securities of any Subsidiary of Dundee REIT, or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such units or other such convertible or exchangeable securities or securities of any Subsidiary of Dundee REIT; (h) to cooperate and use their reasonable commercial efforts to obtain a comfort letter from the Department of Finance or an advance income tax ruling from the Canada Revenue Agency as promptly as practical after the date hereof, confirming certain matters relating to the status of a partnership or trust as a SIFT.

Termination

The Purchase Agreement may be terminated whether before or after obtaining Unitholder Approval (except in the case of the circumstances described in paragraph (f) below, which termination rights shall only be available prior to obtaining Unitholder Approval), by:

- (a) the mutual written agreement of each of the parties;
- (b) either Dundee REIT or GE Real Estate if any Law makes, or any Governmental Authority shall have issued an order, decree or injunction making, the consummation of the Transaction illegal or otherwise permanently prohibited, and such order, decree or injunction shall have become final and non-appealable;
- (c) GE Real Estate, if (i) Dundee REIT or any of the other Vendors shall not have complied with or performed in all material respects any covenant or agreement of such party under the Purchase Agreement, or (ii) any representation or warranty of Dundee REIT or any of the other Vendors contained in the Purchase Agreement (without giving effect to any materiality or Big MAC qualifiers contained

therein) shall have been or become untrue such that the condition that the Vendors' representations and warranties be true in all material respects would not be satisfied;

- (d) Dundee REIT, if (i) GE Real Estate or the Purchaser shall not have complied with or performed in all material respects any covenant or agreement of such party under the Purchase Agreement, or (ii) any representation or warranty of the Purchaser (without giving effect to any materiality qualifiers contained therein) shall have been or become untrue such that the condition that GE Real Estate's and the Purchaser's representations and warranties be true in all material respects would not be satisfied;
- (e) either Dundee REIT or GE Real Estate after October 31, 2007 if the Closing has not occurred by then, provided, however, that such right to so terminate shall not be available to a party if such party's or such party's Subsidiaries' actions or failure to act has been a principal cause of or resulted in the failure of the Closing to occur on or before October 31, 2007 and such actions or failure to act constitutes a material breach of the Purchase Agreement;
- (f) Dundee REIT, in connection with Dundee REIT entering into a Proposed Agreement with respect to, or withdrawing or changing its recommendation of the Transaction as a result of, a Superior Proposal provided that no such termination shall be effective unless and until the Vendors shall have paid the Termination Payment to GE Real Estate in accordance with the Purchase Agreement; provided that Dundee REIT shall call and hold the Meeting even if the Board has effected a change in its recommendation and terminated the Purchase Agreement (which obligation will survive termination of the Purchase Agreement until the conclusion of the Meeting);
- (g) GE Real Estate, if (i) the Board or any committee thereof shall have failed to unanimously recommend or shall have withdrawn, modified or changed in a manner adverse to GE Real Estate and the Purchaser its unanimous approval or recommendation of the Purchase Agreement or the Transaction (or publicly announces its intention to do, or that it has done, any of the foregoing), or (ii) the Board or any committee thereof shall have failed to unanimously publicly affirm and/or reaffirm (within three Business Days of having been requested to do so by the Purchaser) a recommendation that unitholders approve the Transaction and vote in favour of the Special Resolution; (iii) Dundee REIT shall have failed to fulfill its obligations to call and conduct the Meeting; or (iv) Dundee REIT shall have breached its non-solicitation obligations (as described above);
- (h) either Dundee REIT or GE Real Estate, if the Unitholder Approval shall not have been obtained at the Meeting; provided, however, that the right to so terminate shall not be available to any party whose failure or whose Subsidiaries' failure to comply with the Purchase Agreement was the cause of such failure; or
- (i) by GE Real Estate, if a Big MAC has occurred.

See "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement", "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Non-Solicitation", "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Superior Proposal and Right to Match" and "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination Payment".

Termination Payment

Dundee REIT has agreed to pay a Termination Payment in the amount of \$55.0 million to GE Real Estate, less any amounts actually paid by Dundee REIT pursuant to the expense reimbursement provisions of the Purchase Agreement (see "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Expense Reimbursement"), and subject to any applicable withholding taxes, if:

- (a) Dundee REIT terminates the Purchase Agreement in the circumstances described in paragraph (f) under "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination" above;
- (b) GE Real Estate terminates the Purchase Agreement in the circumstances described in paragraph (g) under "The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination" above;

- (c) GE Real Estate terminates the Purchase Agreement in the circumstances described in paragraph (c) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above, and the breach giving rise to such termination was wilful; or
- (d) Dundee REIT or GE Real Estate terminates the Purchase Agreement in the circumstances described in paragraph (c) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above, (where the breach giving rise to the termination was not wilful), in the circumstances described in paragraph (e) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above, or in the circumstances described in paragraph (h) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above, and in any of such circumstances (i) prior to such termination, a Person had publicly announced an Acquisition Proposal or any intention to make an Acquisition Proposal, and (ii) within 12 months of any such termination, Dundee REIT or its Subsidiaries shall consummate an Acquisition Proposal or enter into an agreement with respect to an Acquisition Proposal.

Expense Reimbursement

Dundee REIT has agreed to pay \$2.75 million to GE Real Estate on account of expenses of GE Real Estate, the Purchaser and their affiliates incurred in connection with the Transaction if:

- (a) GE Real Estate or Dundee REIT terminates the Purchase Agreement in the circumstances described in paragraph (h) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above; or
- (b) GE Real Estate terminates the Purchase Agreement in the circumstances described in paragraph (i) under “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Termination” above.

Fees and Expenses

Except as otherwise expressly provided in the Purchase Agreement and the Disclosure Letter, all out-of-pocket expenses of the parties relating to the Transaction, including legal fees, accounting fees, filing fees in connection with obtaining Competition Act clearance, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, are to be paid by the party incurring such expenses. If the Closing occurs, Dundee REIT and the Purchaser have agreed that the Purchaser will be responsible for two-thirds of certain agreed-upon Transaction Costs and Dundee REIT will be responsible for one-third of such Transaction Costs. Dundee REIT’s share of such Transaction Costs will be reduced by the aggregate amount of the first distribution paid by Dundee REIT on the 3,473,684 REIT units to be acquired by GE Real Estate as contemplated by the Transaction. GE Real Estate and Dundee REIT are expected to incur certain fees and expenses in addition to their respective proportion of the agreed-upon Transaction Costs for which they have agreed to be responsible.

Summary of Asset Management Agreement

On Closing, Dundee REIT, the Operating Trusts and Dundee Properties LP (collectively, the “**Client**”) will enter into the Asset Management Agreement, pursuant to which DRC will provide asset management services to the Client. The following summary describes certain material provisions of the modified form of Asset Management Agreement and is subject to, and qualified in its entirety by reference to, the Asset Management Agreement, a copy of the form of which is attached as Schedule A to the amendment to the Purchase Agreement which is annexed as Appendix F to this Circular.

Engagement

Pursuant to the Asset Management Agreement, the Client will appoint DRC as an asset manager to provide the following asset management services, subject to the overriding supervision and direction of the Trustees and Properties General Partner, as applicable:

- (a) at the request of the Client, to review and provide the Client with recommendations regarding the asset business plan prepared by the Client for each Property, (the “**Asset Business Plans**”);
- (b) to take all steps reasonably required to assist the Client in the implementation of each Asset Business Plan, subject to the terms and provisions of the Asset Management Agreement;

- (c) to advise the Client with respect to each capital project for development or redevelopment of any property with direct construction costs in excess of \$1 million and which has been approved by the Client prior to the commencement thereof, but specifically excluding any work done on behalf of tenants or any maintenance capital expenditures (each, a “**Capital Project**”) that are required or recommended to be implemented with respect to any of the Properties;
- (d) at the request of the Client, to review the insurance placed or proposed to be placed respecting each Property and to make recommendations with regard thereto to the Client;
- (e) to permit the Client and the Client’s representatives, advisors and agents upon reasonable written notice, to examine all books of account, records, reports and other papers of DRC relating to the Properties and the services performed for the Client by DRC under the Asset Management Agreement, to make copies thereof or extracts therefrom or to have the same audited by an auditor appointed by the Client and at the expense of the Client; and DRC shall cooperate to enable such persons to carry out their duties to the Client;
- (f) to provide and operate the Client’s head office, including providing the office space, equipment, support services and administrative, clerical and secretarial personnel incidental thereto;
- (g) to manage day-to-day operations of the Client;
- (h) to prepare or oversee the preparation of annual budgets and the Asset Business Plans for presentation to the Trustees for approval and to monitor the Client’s financial performance;
- (i) to maintain the books and financial records of the Client and preparing reports and other disclosure documents for Trustees and unitholders;
- (j) to advise the Trustees on strategic matters relating to the Properties, potential acquisitions, dispositions and development, and Unit value maximization;
- (k) to identify, structure and negotiate acquisition, disposition, financing and other transactions and to manage due diligence in connection therewith;
- (l) to provide advice and assistance in connection with the Client’s borrowings, raising of capital and issuance of securities, including representing the Client in its dealings with banks and other lenders, investment dealers, institutions and investors;
- (m) to conduct day-to-day relations on behalf of the Client with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (n) to prepare designations, allocations, elections and determinations to be made in connection with the income and capital gains of the Client for tax and accounting purposes;
- (o) to manage the Client’s investor relations activities;
- (p) to manage the Client’s regulatory compliance, including making all required filings;
- (q) to prepare all reports reasonably requested by the Client, including operational reporting such as cash flow by property and by asset types; executive summaries by asset type outlining asset issues along with various other matters and development reporting costs; and
- (r) in respect of each Capital Project:
 - (i) to determine the quality and completeness of the design and construction documents;
 - (ii) to confirm the reasonableness of the project schedule;
 - (iii) to verify the completeness and adequacy of the construction budget;
 - (iv) to confirm the existence and appropriateness of project control procedures;
 - (v) to review and comment on all engineering test data, soils reports, zoning approvals;
 - (vi) to advise the Client of any recommended changes to the construction documents; and
- (s) any additional services as may from time to time be agreed to in writing by the Client and DRC and for which DRC shall be compensated on terms to be agreed upon between DRC and the Client prior to the provision of such services.

The Client may, in respect of any Asset Business Plan, identify target areas or regions or target Properties to be Disposed of and the recommendations provided by DRC shall take such target areas or regions or target Properties into consideration.

Throughout the Term DRC will, subject to applicable Laws and agreements relating to the disclosure of such information, at the request of the Client or as required under the Asset Management Agreement, provide the Client with access to all strategic and historical information, and otherwise use such information and experience in providing the services which DRC has agreed to and is required to provide under the Asset Management Agreement.

Fees and Expenses

The Client will pay to DRC the following amounts:

- (a) a base annual management fee (the “**Asset Management Fee**”) calculated and payable on a monthly basis in arrears on the first day of each month equal to 0.25% of the Gross Asset Value (as defined in the Declaration of Trust).

The Asset Management Fee will be payable in arrears in cash. Within 15 days after the audited financial statements for each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement) are approved by the Client, an adjustment to the Asset Management Fee paid with respect to the last quarter to which such financial statements relate shall be made between the parties based on actual Gross Asset Value derived from such audited financial statements. If a payment is required to be made by DRC, such payment may be made in cash to the Client or at DRC’s option, may be set off from the next payment of the Asset Management Fee payable to DRC;

- (b) an incentive fee (the “**Incentive Fee**”) for each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement) equal to 15% of Dundee REIT’s AFFO Per Unit in excess of \$2.65 (the “**Hurdle Amount**”);

For the purposes of this subsection (b), “**AFFO Per Unit**” means the quotient obtained by dividing:

(i) the sum of (A) the total sale price set out in any agreement entered into by the Client with respect to a Disposition of a Property or Properties less all Disposition Costs respecting the Disposition of that Property (the “**Net Sale Proceeds**”) in excess of the Gross Asset Value of the Disposed Properties in such fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement); and (B) Dundee REIT’s adjusted funds from operations for such fiscal year, being the distributable income of Dundee REIT as reported in the management’s discussion and analysis of Dundee REIT for the applicable fiscal year, less normalized leasing costs and recurring costs incurred by the Client or any of its Affiliates in connection with the repair or replacement of capital items as determined by management of Dundee REIT; by (ii) the weighted average number of issued and outstanding Units and LP Units during such fiscal year. In the event Dundee REIT or Dundee Properties LP is acquired during the Term, there will be deemed to be a Disposition of all Properties held by Dundee REIT or Dundee Properties LP, as the case may be, and the calculation of the amount in clause (A) of this definition of AFFO Per Unit will be based on the extent to which the deemed Net Sale Proceeds are greater than the Gross Asset Value of the Properties deemed to be Disposed of. The calculation of AFFO Per Unit will be performed by DRC and presented to the audit committee of the Board for approval annually. DRC will also prepare an analysis of the AFFO Per Unit calculation published by the investment analysts that follow Dundee REIT for the audit committee of the Board and explain where possible the differences between the calculations prepared by DRC and the calculations published by the investment analysts. The Incentive Fee will be payable by the 15th day after the audited financial statements for the fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement) to which such fee relates are approved by Dundee REIT. The Incentive Fee will be paid in cash;

The Hurdle Amount will be adjusted in a manner to be agreed upon by DRC and the Client in the event of certain transactions affecting Units or LP Units, including any (a) distribution of capital to holders of Units or LP Units, (b) subdivision, split or other division of outstanding Units or LP Units into a greater number of Units or LP Units, as the case may be, or (c) combination or consolidation of outstanding Units or LP Units into a smaller number of Units or LP Units (other than an automatic consolidation

pursuant to section 5.5 of the Declaration of Trust or similar consolidation undertaken to maintain the same number of units outstanding following a transaction);

- (c) a capital expenditures fee (the “**Capital Expenditures Management Fee**”) payable on an annual basis equal to 5% of all direct construction costs incurred by DRC in the completion of the work associated with any Capital Projects. The Capital Expenditures Management Fee will be paid in cash;
- (d) an acquisition fee (the “**Acquisition Fee**”) equal to: (i) 1.0% of the purchase price paid by the Client for the purchase of a property, on the first \$100 million of Properties acquired in each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement); (ii) 0.75% of the purchase price paid by the Client for the purchase of a property, on the next \$100 million of Properties acquired in each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement), and (iii) 0.5% of the purchase price paid by the Client for the purchase of a property, on Properties in excess of \$200 million acquired in each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement); and such Acquisition Fee will be paid upon the completion of the purchase of each such property. The Acquisition Fee will be paid in cash; and
- (e) a financing fee (the “**Financing Fee**”) equal to 0.25% of the debt and equity of all financing transactions completed for the Client. This fee is intended to cover the actual expenses of supplying services to the Client relating to financing transactions, and is not intended to have a profit component for DRC or any of its affiliates. Accordingly, at the end of each fiscal year (commencing on the date, or anniversary, of the Asset Management Agreement), there will be an adjustment made to reflect the actual amount of expenses of supplying such services incurred by DRC in such fiscal year. To the extent that the Financing Fees paid by the Client exceed the actual amount of such expenses, DRC will reimburse the Client for the difference. To the extent that the Financing Fees charged by DRC are less than the actual amount of such expenses, the Client will pay the difference as an additional Financing Fee amount. The Financing Fee and any reimbursement will be paid in cash.

DRC shall be reimbursed by the Client for all reasonable and necessary actual out-of-pocket costs and expenses paid by DRC in connection with the performance of the services described in the Asset Management Agreement or such other services which DRC and the Client agree in writing are to be provided from time to time by DRC, including, but without limitation, the costs and expenses incurred by DRC for travel, lodging and reasonable and necessary costs for experts and consultants reasonably required by DRC and approved by the Client. Such costs and expenses shall be paid by the Client within 30 days following receipt by the Client of documentation acceptable to the Client, acting reasonably, evidencing the payment by DRC of such costs and expenses. For greater certainty, DRC will not be reimbursed for any overhead or other internal costs and expenses. However, the Client will provide DRC with office space, computer services and support, human resource support and office services support as required for DRC to carry out its duties under the Asset Management Agreement.

Termination without Fault

The Asset Management Agreement automatically terminates on the earliest of:

- (a) the end of the Term (as extended, if applicable);
- (b) as to any Property, the date such Property ceases to be owned by the Client;
- (c) the date when all the Properties have been Disposed of by the Client and/or the affiliates of the Client owning the Properties or when neither the Client nor any of its affiliates has any direct or indirect ownership interest in any of the Properties.

Upon termination of the Asset Management Agreement, and provided DRC has complied with the Asset Management Agreement, DRC will be paid all expenses for which it is entitled to be reimbursed thereunder together with any accrued Asset Management Fee, Incentive Fee, Capital Management Expenditure Fee, Acquisition Fee or Financing Fee. If the Asset Management Agreement is terminated without fault, the Incentive Fee will be calculated as if all of the Properties were sold on the day of termination of the Asset Management Agreement.

Termination upon Default

- (a) For the purposes of the Asset Management Agreement,

- (i) **“Event of Default”** means:
 - (A) the commission by DRC or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, negligence or a wilful breach of applicable laws;
 - (B) if, in the performance or failure in the performance of the duties of DRC under the Asset Management Agreement, DRC demonstrates a wilful disregard for the best interests of the Client;
 - (C) the material breach by DRC in the performance of any of its obligations under the Asset Management Agreement unless DRC has cured such breach within 30 days following receipt of written notice from the Client advising DRC of such breach or such longer period of time as is reasonably necessary to cure such breach provided that DRC has within such 30 day period commenced the curing of such breach and continues to cure such breach in a diligent and expeditious manner, subject to force majeure;
 - (D) the assignment by DRC of its interest under the Asset Management Agreement in contravention of the Asset Management Agreement; or
 - (E) the persistent, continuing failure by DRC in the performance of its material obligations under the Asset Management Agreement and the continuing failure by DRC to cure any breach of any of its obligations under the Asset Management Agreement after notice has been given by the Client.
- (ii) **“Event of Insolvency”** means any one or more of the following events:
 - (A) if DRC shall:
 - A. be wound up, dissolved or liquidated, or become subject to the provisions of the Winding-up Act (Canada) or any successor legislation thereto or have its existence terminated or have any resolution passed therefor;
 - B. make a general assignment for the benefit of its creditors or a proposal under the Bankruptcy and Insolvency Act (Canada) or any successor legislation thereto; or
 - C. propose a compromise or arrangement under the Companies’ Creditors Arrangement Act (Canada) or any successor legislation thereto or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors;
 - (B) if a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against DRC seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors and DRC shall acquiesce in the entry of such order, judgment or decree and such order, judgment or decree shall remain unvacated or unstayed for an aggregate of 30 days (whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for DRC or of all or any substantial part of its property with the consent or acquiescence of DRC or such appointment shall remain unvacated or unstayed for an aggregate of 30 days (whether or not consecutive);
 - (C) if the ability of DRC to carry out its duties under the Asset Management Agreement has been materially adversely affected by an encumbrancer taking possession of all or any part of the property of DRC and such encumbrancer remains in possession of such property for an aggregate of 15 days (whether or not consecutive); or
 - (D) if DRC becomes insolvent.
- (b) **Termination Rights on Event of Default**

If an Event of Default occurs with respect to DRC, the Client will have the right to terminate the Asset Management Agreement by giving notice to such effect to DRC, which notice shall provide the reason

for the termination in reasonable detail. Such termination shall be effective as of the date (A) specified by the Client in such notice (which date shall not be more than 60 days following the notice date) or (B) if not specified by the Client in such notice, on which DRC received such notice or (C) on such later date, and on such terms, as the Client and DRC may agree in writing.

(c) Termination Right on Event of Insolvency

If an Event of Insolvency occurs, the Client will have the right to terminate the Asset Management Agreement by giving notice to such effect to DRC, which notice shall provide the reason for the termination in reasonable detail. Such termination shall be effective as of the date on which DRC receives such notice.

(d) Reimbursement for Costs on Termination for Cause

Upon termination of the Asset Management Agreement other than pursuant to paragraph (a)(i)(A) above, and provided that DRC first complies with (f) below and provides a certificate to the Client certifying such compliance, DRC will be paid all expenses for which it is entitled to be reimbursed under the Asset Management Agreement together with any accrued Asset Management Fee, Incentive Fee, Capital Expenditures Management Fee, Acquisition Fee or Financing Fee. Upon termination of the Asset Management Agreement pursuant to (a)(i)(A) above, DRC will not be entitled to be paid any fees or expenses whatsoever under the Asset Management Agreement, including any accrued fees and expenses.

(e) Termination by Asset Manager

At any time, DRC shall have the right, upon 60 days, prior written notice, to terminate the Asset Management Agreement for any reason. In that regard, upon such termination, DRC will comply with (f) below. Upon termination of the Asset Management Agreement, and provided DRC has complied with (f) below, DRC shall be paid all expenses for which it is entitled to be reimbursed under the Asset Management Agreement, together with any accrued Asset Management Fee, Standard Disposition Fee, Additional Disposition Fee, Incentive Fee, Capital Expenditures Management Fee, Acquisition Fee or Financing Fee. The Incentive Fee shall be calculated as if all of the Properties were sold on the day of termination of the Asset Management Agreement.

(f) Return of Records

Forthwith upon termination of the Asset Management Agreement, DRC shall promptly deliver to such party as directed by the Client all books and records maintained by DRC, including all information relating to the Properties which is stored by DRC in any computer, microfiche records or other information storage medium.

Term

The Asset Management Agreement is for a term of five years (the “**Initial Term**”) commencing as of the date thereof and ending on the fifth anniversary of the date thereof and is renewable for further five year terms (the “**Renewal Terms**”, and together with the Initial Term, the “**Term**”), unless and until the Asset Management Agreement terminates in accordance with the provisions thereof. Subject only to the termination provisions of the Asset Management Agreement, DRC will automatically be rehired at the expiration of the Initial Term and each of the Renewal Terms.

At least 16 months prior to the end of the first Renewal Term and each subsequent Renewal Term thereafter, Dundee REIT will cause the Trustees who are “independent” of DRC (using the definition of “independent” under Canadian securities laws applicable to boards of directors) to review the performance of DRC of its duties for the Client. If such independent trustees determine that DRC has not been meeting its obligations as set out in the Asset Management Agreement, they may resolve or otherwise determine that the continuation of the Asset Management Agreement is not in the best interests of unitholders of Dundee REIT and that the termination of the Asset Management Agreement at the end of the then current Renewal Term should be submitted to a vote of unitholders of Dundee REIT at a meeting duly called and held. If such termination is approved by at least two-thirds of the votes cast by the unitholders at such meeting, Dundee REIT will have the right to terminate the Asset Management Agreement, provided that Dundee REIT provides DRC with at least 12 months’ prior written notice of such termination; otherwise, DRC will automatically be rehired at the end of the current Renewal Term for the next Renewal Term.

Other Provisions

Except for information that is received by DRC on a non-confidential basis from the Client, or that is or becomes known to the general public through no act or omission of DRC, or that becomes available on a non-confidential basis to DRC from a third party, all information received by DRC will be held in confidence and be used only in the course of performing its duties set out in the Asset Management Agreement. DRC must not disclose such information to any Person and shall advise its agents, contractors, representatives, employees or other staff of the confidential nature of such information. DRC shall assist the Client in the development and implementation of protective procedures to ensure such confidentiality.

DRC may not assign its rights or interest in or delegate its duties or obligations under the Asset Management Agreement unless approved by the Client, which approval may be unreasonably withheld in the Client's sole discretion, except that DRC may, upon prior written notice to the Client, assign its rights or interest in or delegate its duties or obligations under the Asset Management Agreement to an affiliate of DRC or to a company or partnership Controlled directly or indirectly by Michael J. Cooper without the Client's approval, provided that in the case of an assignment to an affiliate of DRC, DRC and such affiliate will be jointly and severally bound to the Client for all obligations of DRC and the assignee under the Asset Management Agreement.

The Client may not assign its rights or interest in the Asset Management Agreement unless approved by DRC, which approval may be unreasonably withheld in DRC's sole discretion, except that the Client may, upon prior written notice to DRC, assign its rights or interest under the Asset Management Agreement (in whole or in part) to an affiliate without DRC's consent provided that Dundee Properties LP and such affiliate will be jointly and severally bound to DRC for all obligations of the Client and the assignee under the Asset Management Agreement.

The Client will provide all necessary assistance and co-operation on a timely basis to enable DRC to comply with its obligations under the Asset Management Agreement. So long as DRC has acted in good faith, DRC shall not be liable for any consequences resulting from the Client following or declining to follow any advice or recommendation made by DRC or any action taken by DRC in accordance with the Asset Management Agreement nor shall DRC be liable for any depreciation in the value of any of the Properties nor shall DRC be liable for any error in judgment.

DRC will indemnify the Client, its affiliates and its and their directors, officers and employees from and against any and all loss, cost, damage, liability and expense incurred by such Persons (a) as a consequence of any bad faith, gross negligence or wilful misconduct on the part of DRC or any breach by DRC of the Asset Management Agreement and (b) relating in any way to any employees, officers or agents of DRC. Except for those matters against which DRC has granted an indemnity in the Asset Management Agreement, the Client will indemnify DRC and its affiliates and its and their directors, officers and employees from and against any and all loss, cost, damage, liability and expense incurred by such Persons and resulting from DRC's performance of its duties and obligations in accordance with the Asset Management Agreement.

The Client will have the first right to acquire a minimum 50% interest in any property in the Client's core markets of office and industrial properties in Canada identified by DRC for purchase. Other than this limitation, DRC and the Client will be entitled to engage in conduct which is competitive with the Properties and/or any other properties owned, leased or managed by DRC or the Client, as applicable. Other than the foregoing limitation, nothing in the Asset Management Agreement will prevent DRC from either acquiring, for its own account or otherwise, or providing asset management services to any other Person, or with respect to any real estate which is similar to or similarly situated to the Properties.

Summary of Lock-Up Agreement and Side Letter

On June 3, 2007, GE Real Estate entered into the Lock-Up Agreement with the Locked-Up Unitholders, pursuant to which the Locked-Up Unitholders irrevocably agreed to use their best efforts in their capacities as unitholders to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the Transaction, including, except as specifically provided therein (a) to vote or cause to be voted all of their REIT Units (including those REIT Units that may become beneficially owned or controlled by them prior to the Meeting) in favour of the Special Resolution and against any Acquisition Proposal other than the Transaction; (b) to not solicit or otherwise facilitate the initiation, discussions or negotiations in furtherance of any inquiries, proposals or other action that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal; and

(c) subject to limited exceptions, to not sell, transfer, monetize, create or otherwise convey any interest in their REIT Units prior to termination of the Lock-Up Agreement.

The Lock-Up Agreement may be terminated by any Locked-Up Unitholder (as it applies to such Locked-Up Unitholder only) in the following circumstances:

- (a) upon written notice to GE Real Estate: (i) if any representation or warranty of GE Real Estate under the Lock-Up Agreement is untrue or incorrect in any material respect; or (ii) if there is a material breach by GE Real Estate of any of its covenants under the Lock-Up Agreement; and
- (b) such Locked-Up Unitholder, together with its Affiliates, holds in excess of five percent (5%) of the outstanding REIT Units, on a fully diluted basis, and, without the prior written consent of such Locked-Up Unitholder, (i) the Purchase Agreement and/or the Binding Term Sheet is amended, modified, supplemented or restated in any manner or respect that is adverse to the Locked-Up Unitholder; or (ii) the Transaction is otherwise completed pursuant to an agreement which is less favourable to the Locked-Up Unitholder than the Transaction contemplated by the Purchase Agreement and/or the Binding Term Sheet.

The Lock-Up Agreement terminates automatically upon the earlier of the termination of the Purchase Agreement in accordance with its terms (and payment of the Termination Payment, if applicable) and Closing.

The Locked-Up Unitholders have also agreed to support the completion of any alternative transaction, which is on terms which are not less favourable to any of the Locked-Up Unitholders than the Transaction, in the same manner as the Transaction.

In connection with the Lock-Up Agreement, Dundee Corporation, DRC, Dundee REIT and GE Real Estate entered into the Side Letter setting out the terms and conditions on which Dundee Corporation and DRC would enter into the Lock-Up Agreement.

Pursuant to the Side Letter, DRC agreed to execute and deliver the Asset Management Agreement and an asset management agreement with GE Real Estate, Dundee REIT agreed to execute and deliver the Asset Management Agreement and GE Real Estate agreed to execute and deliver an asset management agreement with DRC, all on Closing. In addition, Dundee REIT agreed that it would: (a) not amend or waive certain of its rights under the Purchase Agreement or the Binding Term Sheet, and (b) do (and cause its Subsidiaries to do) all such acts and things necessary or desirable to consummate the Transaction.

The parties also agreed to cooperate and use their reasonable commercial efforts to obtain a comfort letter from the Department of Finance or an advance income tax ruling from the Canada Revenue Agency, confirming certain matters relating to the status of a partnership or trust as a SIFT.

The Side Letter may be terminated by Dundee Corporation and DRC, upon written notice to Dundee REIT and GE Real Estate, if: (i) any representation or warranty of Dundee REIT or GE Real Estate thereunder is untrue or incorrect in any material respect; (ii) there is a material breach by Dundee REIT or GE Real Estate of any of its covenants under this Side Letter; or (iii) if the Closing has not occurred by October 31, 2007.

Summary of Binding Term Sheet

Pursuant to the Binding Term Sheet, prior to January 1, 2008, Dundee Corporation and its affiliates (in this summary, “**Dundee Corporation**”) have agreed not to convert (in this section, a “**Conversion**”) REIT Units, Series B into Units except to satisfy its obligations under the terms of its Exchangeable Debentures as follows.

If Dundee Corporation is required to effect Conversions prior to January 1, 2008, Limited Intelligence shall, at the request of Dundee Corporation, exchange up to 704,744 of its Units in the aggregate (the “**Limited Intelligence Units**”) for an equivalent number of REIT Units, Series B owned by Dundee Corporation, on a taxable basis (the “**Exchanges**”). Limited Intelligence has represented and warranted to Dundee Corporation that it has and will have sufficient unencumbered Units to permit all Exchanges permitted thereunder.

In addition, each of Dundee REIT and Dundee Corporation has agreed to use its reasonable best efforts to facilitate Dundee Corporation being able to deliver Units to holders of Exchangeable Debentures (in addition to the Exchanges), without Dundee Corporation being itself required to convert REIT Units, Series B into Units, through securities lending, market purchases of Units or Exchangeable Debentures, or other transactions, and Dundee REIT

will reimburse Dundee Corporation for any incremental costs incurred by Dundee Corporation in connection therewith.

If the Transaction is completed, Dundee REIT must indemnify Limited Intelligence for any tax required to be paid by Limited Intelligence in respect of REIT Units, Series B acquired from Dundee Corporation in respect of Exchanges and which are not ultimately redeemed or purchased for cash under the Transaction or disposed of in some other manner within 12 months after completion of the Transaction, determined based on the assumption that the Exchanges are the only transactions of Limited Intelligence in the taxation year of Limited Intelligence in which the Exchanges occur.

If the Transaction is not completed, Dundee REIT will make an interest-free loan to Michael Cooper, the sole common shareholder of Limited Intelligence, in the amount of the tax liability incurred by Limited Intelligence and/or Michael Cooper, determined based on the assumption that the Exchanges are the only transactions of Limited Intelligence in the taxation year of Limited Intelligence in which the Exchanges occur. The loan will be repaid rateably on the date upon which Limited Intelligence receives proceeds from an actual disposition of REIT Units, Series B acquired by it pursuant to an Exchange. In addition Dundee REIT will indemnify and save harmless Limited Intelligence from and against any losses or costs incurred by it in completing the Exchanges which are not otherwise provided for in the Binding Term Sheet.

AMENDMENTS TO THE DECLARATION OF TRUST AND OTHER GOVERNING DOCUMENTS

At the Meeting, unitholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, the Special Resolution, which will authorize a number of amendments to the Declaration of Trust and other documents and agreements governing Dundee REIT and its Subsidiaries. The full text of the Special Resolution is annexed as Appendix A to this Circular.

The Special Resolution will also empower the Trustees to approve such other amendments to the Declaration of Trust as they determine necessary or appropriate in order to give effect to the Transaction and the amendments to the Declaration of Trust. The Trustees will also be given the discretion under the Special Resolution not to proceed with the amendments in the event that the Transaction is not completed.

The following tables summarize the proposed amendments. Certain of the amendments summarized below are in respect of the governance and operation of Dundee REIT, including modifications to Dundee Corporation's existing board appointment rights and significant changes to the investment guidelines and operating policies of Dundee REIT's operating subsidiary, Dundee Properties LP. Unitholders are also being asked to approve amendments to the Declaration of Trust and other documents and agreements governing Dundee REIT and its Subsidiaries in order to provide for the Redemption and the Transfer, including certain of the amendments described below. This summary describes the terms of the applicable existing provisions and the proposed amendments thereto as well as certain new provisions. It is subject to, and qualified in its entirety by reference to, the various agreements, copies of which are available on SEDAR at www.sedar.com.

Declaration of Trust

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
1.8	Dundee REIT cannot take any action that would prevent it from qualifying as a "mutual fund trust" or "registered investment".	Dundee REIT cannot take any action that would prevent it from qualifying as a "mutual fund trust", "registered investment" or a "real estate investment trust" and Dundee REIT cannot take any action that, at any time prior to January 1, 2008, would cause Dundee REIT to exceed "normal growth" as determined by the Normal Growth Guidelines, or to be subject to tax under paragraph 122(1) (b) of the Tax Act.
2.2	Dundee Corporation has the right to appoint up to a majority of Trustees less one provided it owns at least 4,000,000 Units and/or LP Class B Units, Series 1.	Dundee Corporation has the right to appoint up to a majority of Trustees less one provided it owns at least 2,000,000 Units and/or LP Class B Units, Series 1.
3.2(i)	Requires systems to monitor status as "mutual fund trust" and "registered investment".	Requires systems to monitor (i) status as a "mutual fund trust", a "registered investment" and a "real estate investment trust"; and (ii) "normal growth" prior to January 1, 2008. Will remove requirement that systems monitor with respect to "foreign property" status of the REIT Units and Part XI tax under the Tax Act.
4.1	Investment guidelines ensure that no steps be taken that would result in Dundee REIT failing or ceasing to qualify as a "mutual fund trust" or a "registered investment".	Investment guidelines ensure that no steps be taken that would result in Dundee REIT failing or ceasing to qualify as a "mutual fund trust", a "registered investment" or a "real estate investment trust" and Dundee REIT cannot take any action that, at any time prior to January 1, 2008, would cause Dundee REIT to exceed "normal growth" as determined by the Normal Growth Guidelines, or to be subject to tax under paragraph 122(1) (b) of the Tax Act.

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
		Will remove investment guidelines relating to “foreign property” status of the REIT Units and Part XI tax under the Tax Act.
5.4	Pre-Emptive Rights of Dundee Corporation.	Pre-Emptive Rights for both Dundee Corporation and GE Real Estate in accordance with their respective ownership interests.
5.24	Redemption of REIT Units.	Provide for the Redemption and the Transfer at a price of \$47.50 cash per unit.
5.26	Purchase of Units.	For purposes of the Declaration of Trust, including Article 9, the provisions of s. 5.24(i) will apply, mutatis mutandis, as if a purchase of REIT units for cancellation were a redemption.
8.2	Investment Committee approval required for (i) proposed acquisitions and dispositions, (ii) proposed transactions, and (iii) all financing arrangements and assumption or granting of any mortgages other than renewals of existing mortgages.	Investment Committee may delegate investment decisions to senior management of Dundee REIT and/or Dundee Properties LP.
10.1	Expenses must not jeopardize Dundee REIT’s status as a “mutual fund trust”.	Expenses must not jeopardize Dundee REIT’s status as a “mutual fund trust” or a “real estate investment trust”.
11.1	Amendments to the Declaration of Trust are permitted to preserve Dundee REIT’s status as a “mutual fund trust, a “unit trust” and a “registered investment” and are not permitted to the extent that Dundee REIT would fail or cease to qualify as a “mutual fund trust”, a “unit trust” or a “registered investment”.	Amendments to the Declaration of Trust are permitted to preserve Dundee REIT’s status as a “mutual fund trust, a “real estate investment trust”, a “unit trust” and a “registered investment” and are not permitted to the extent that Dundee REIT would fail or cease to qualify as a “mutual fund trust”, a “real estate investment trust”, a “unit trust” or a “registered investment”.
11.3	For so long as any of the circumstances entitling Dundee Corporation to appoint one or more Trustee(s), Dundee Corporation must approve any amendment to s. 2.2 (Appointment of Trustees) and s. 11.3.	For so long as any of the circumstances entitling Dundee Corporation to appoint one or more Trustee(s), any proposed amendment to s. 2.2 (Appointment of Trustees) or s. 11.3 which may adversely affect the right of Dundee Corporation to appoint Trustees in accordance with s. 2.2 shall require the approval of Dundee Corporation.
Schedule A-2	Conversion of REIT Units, Series B into Units.	REIT Units, Series B may not be converted into Units if such conversion would pose a significant risk to Dundee REIT’s status as a “unit trust”, a “mutual fund trust”, a “real estate investment trust” or a “registered investment” or a risk that, at any time prior to January 1, 2008, Dundee REIT would exceed “normal growth” as determined by the Normal Growth Guidelines, or be subject to tax under paragraph 122(1) (b) of the Tax Act.

Governance Agreement

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
3.1	Properties General Partner must not exercise its discretion pursuant to s. 7.2(f) of the Dundee Limited Partnership Agreement without the approval of the Trustees.	To be deleted.
3.2	Properties General Partner must not approve of any investments, acquisitions or dispositions greater than \$5 million net of any assumed or arranged mortgage debt by Dundee Properties LP without the approval of the Investment Committee.	To be deleted.

Dundee Limited Partnership Agreement

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
2.4	Business of Dundee Properties LP must be located principally in Canada and the United States.	Business of Dundee Properties LP must be located exclusively in Canada.
6.2	Allocation of Taxable Income and Tax Losses.	All Taxable Income arising in connection with the Transaction shall be allocated to the holders of limited partnership units of Dundee Properties LP based upon the distribution of the proceeds from such transactions and treating a redemption or purchase for cancellation of units of Dundee Properties LP as a distribution for purposes of the partnership income allocation provisions.
7.1(a)	No steps may be taken that would result in Dundee REIT failing or ceasing to qualify as a “mutual fund trust” or a “registered investment”.	No steps may be taken that would result in (i) Dundee REIT failing or ceasing to qualify as a “mutual fund trust”, a “registered investment” or a “real estate investment trust”, (ii) at any time prior to January 1, 2008, Dundee REIT exceeding “normal growth” as determined by the Normal Growth Guidelines, or (iii) any of Dundee REIT, Trust A or Trust B being subject to tax under paragraph 122(1) (b) of the Tax Act.
7.1(f)	Dundee Properties LP may only invest in equity interests in revenue producing properties.	Dundee Properties LP may only invest in equity interests in office and industrial revenue producing properties.
7.1(m)	Dundee Properties LP may invest in up to 10% of equity of non-qualifying investments so long as they meet the criteria in s. 7.1(a).	Dundee Properties LP may invest in up to 25% of equity of non-qualifying investments so long as they meet the criteria in s. 7.1(a).
7.1(n)	Only properties in Canada and US.	Only office and industrial properties in Canada.
7.1(b),(c), (d), (e), (g), (h),	Restriction on acquisitions. Restriction on investments in joint ventures. Restriction on holding securities.	To be deleted. To be deleted. To be deleted.

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
(j) and (k)	Criteria for investments in U.S. properties.	To be deleted.
	Restriction on investment in operating businesses.	To be deleted.
	Restriction on investment in partnerships.	To be deleted.
	Restriction on investment in rights to or interests. in mineral or other natural resources.	To be deleted.
	Restriction on investment in a mortgage or mortgage bonds.	To be deleted.
7.2(d)	Construction and development permitted for maintenance of real property or enhancing the revenue stream from real property.	Construction and development permitted for maintenance of real property or enhancing the revenue stream from real property; provided it is not on a brownfield site and otherwise meets the Investment Guidelines and Operating Policies.
7.2(f)	Debt limitations 65% of GBV of debt or 70% with undrawn facilities.	To be deleted.
7.2(g)	No more than 15% of GBV in floating rate debt.	To be deleted.
7.2(h)	No new debt in excess of 75% of market value of a property.	To be deleted.
7.2(i)	No guarantees on third party debt except as part of a Co-owners Agreement.	No guarantees on third party debt except as part of a Co-owners Agreement, partnerships, limited partnerships and other joint ventures.
7.2(k)	Appraisals required on each property purchase.	To be deleted.
New	N/A	Dundee Properties LP will maintain an interest coverage ratio of no less than 1.4x.
15.2	Amendments not permitted to the extent that Dundee REIT would fail or cease to qualify as a “mutual fund trust” or a “registered investment”.	Amendments not permitted to the extent that Dundee REIT would fail or cease to qualify as a “mutual fund trust”, a “real estate investment trust” or a “registered investment”. Remove reference to foreign property status of units of Dundee Properties LP.
3.1(a) of Schedule A-2	Potentially provides LP Class B Units, Series 1 with priority on payment of distributions by Dundee Properties LP.	Provides simultaneous payment of distributions on LP Class B Units, Series 1 with other existing units of Dundee Properties LP held by Trust A and Trust B.
4.3 of Schedule A-2	No delivery of units of Dundee Properties LP if such delivery would pose a significant risk to Dundee REIT’s status as a “unit trust”, a “mutual fund trust” or a “registered investment”.	No delivery of units of Dundee Properties LP if such delivery would pose a significant risk to Dundee REIT’s status as a “unit trust”, a “mutual fund trust”, a “real estate investment trust” or a “registered investment” or a risk that, at any time prior to January 1, 2008, Dundee REIT would exceed “normal growth” as determined by the Normal Growth Guidelines,

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
5.6 of Schedule A-2	No obligation to accept units of Dundee Properties LP if acceptance would pose a significant risk to Dundee REIT's status as a "unit trust", a "mutual fund trust" or a "registered investment".	No obligation to accept units of Dundee Properties LP if acceptance would pose a significant risk to Dundee REIT's status as a "unit trust", a "mutual fund trust", a "real estate investment trust" or a "registered investment" or a risk that, at any time prior to January 1, 2008, Dundee REIT would exceed "normal growth" as determined by the Normal Growth Guidelines, or be subject to tax under paragraph 122(1) (b) of the Tax Act.
New	N/A	If necessary, provide for the surrender, exchange or purchase for cancellation of partnership units by Dundee Properties LP in connection with the Redemption and the Transfer.

Exchange and Support Agreement

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
3.15(d) of Schedule A-1 and Schedule A-3	Restriction on exchange if such exchange would pose a significant risk to Dundee REIT's status as a "unit trust", a "mutual fund trust" or a "registered investment".	Restriction on exchange if such exchange would pose a significant risk to Dundee REIT's status as a "unit trust", a "mutual fund trust", a "real estate investment trust" or a "registered investment" or a risk that, at any time prior to January 1, 2008, Dundee REIT would exceed "normal growth" as determined by the Normal Growth Guidelines.

Declaration of Trust of Trust A

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
5.4	No steps may be taken that would result in Dundee REIT failing or ceasing to qualify as a "mutual fund trust", a "unit trust" or a "registered investment".	No steps may be taken that would result in (i) Dundee REIT failing or ceasing to qualify as a "mutual fund trust", a "unit trust", a "registered investment" or a "real estate investment trust", (ii) at any time prior to January 1, 2008, Dundee REIT exceeding "normal growth" as determined by the Normal Growth Guidelines, or (iii) any of Dundee REIT or Trust A being subject to tax under paragraph 122(1) (b) of the Tax Act.
New	N/A	Provide for the transfer of LP Class A Units held by Trust A to a wholly-owned subsidiary partnership of Trust A and, if necessary, a redemption by Trust A of Trust A Units in connection with the Redemption and the Transfer.

Declaration of Trust of Trust B

<u>Section</u>	<u>Existing Provision</u>	<u>New Provision</u>
5.4	No steps may be taken that would result in Dundee REIT failing or ceasing to qualify as a “mutual fund trust”, a “unit trust” or a “registered investment”.	No steps may be taken that would result in (i) Dundee REIT failing or ceasing to qualify as a “mutual fund trust”, a “unit trust”, a “registered investment” or a “real estate investment trust”, (ii) at any time prior to January 1, 2008, Dundee REIT exceeding “normal growth” as determined by the Normal Growth Guidelines, or (iii) any of Dundee REIT or Trust B being subject to tax under paragraph 122(1) (b) of the Tax Act.
New	N/A	Provide for the transfer of LP Class B Units, Series 2 held by Trust B to a wholly-owned subsidiary partnership of Trust B and, if necessary, a redemption by Trust B of Trust B Units in connection with the Redemption and the Transfer.

INFORMATION REGARDING GE REAL ESTATE

GE Real Estate, a business unit of GE Commercial Finance, is one of the world's premier commercial real estate companies with more than US\$59 billion in assets and a presence in 28 countries throughout North America, Europe, Asia, and Australia/New Zealand. Backed by General Electric Company's AAA rating, GE Real Estate offers a comprehensive range of capital and investment solutions including equity capital for acquisition or development, as well as fixed and floating rate mortgages for new acquisitions or re-capitalizations of commercial real estate.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, and special tax counsel to Dundee REIT, the following is a summary of the principal Canadian federal income tax considerations that are generally applicable to a unitholder (a "**Redeeming Unitholder**") that disposes of REIT units pursuant to the Redemption and the Transfer and who, for purposes of the Tax Act, holds its REIT units as capital property, deals at arm's length with and is not affiliated with Dundee REIT, GE Real Estate and their respective Affiliates.

Generally, the REIT units will be considered to be capital property to a Redeeming Unitholder unless the Redeeming Unitholder holds such REIT units in the course of carrying on a business of trading or dealing in securities or the Redeeming Unitholder has acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Redeeming Unitholders whose REIT units might not otherwise qualify as capital property may be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the REIT units and every other "Canadian security" (as defined in the Tax Act) owned by such unitholder deemed to be capital property in the taxation year of the election and subsequent taxation years.

For the purpose of this summary, counsel has assumed that Dundee REIT qualifies as a "mutual fund trust" as defined in the Tax Act, on the date hereof, and will continue to qualify as a mutual fund trust at all relevant times. In addition, counsel has assumed that Dundee REIT is not subject to the SIFT Rules and, in particular, that it has not breached the Normal Growth Guidelines. This summary is not applicable to a Redeeming Unitholder that is a "financial institution" as defined in the Tax Act that is subject to the "mark-to-market" rules, a Redeeming Unitholder that is a "specified financial institution" as defined in the Tax Act, or a Redeeming Unitholder an interest in which is a "tax shelter investment" as defined in the Tax Act. Any such Redeeming Unitholder should consult its own tax advisors with respect to the tax consequences of the Redemption and the Transfer of its REIT units.

This summary is based on the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and counsel's understanding of the current published administrative and assessing policies of the CRA. This summary assumes that all Proposed Amendments shall be enacted as currently proposed although no assurance can be given in this regard.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, or changes in CRA's administrative and assessing policies, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Redeeming Unitholder, and no representation with respect to the Canadian federal income tax consequences to any particular Redeeming Unitholder is made. Consequently, Redeeming Unitholders are advised to consult their own tax advisors with respect to their particular circumstances.

SIFT Rules

Under the SIFT Rules, a SIFT will generally be taxed in a manner similar to corporations on income from a business carried on in Canada by the SIFT and income (other than taxable dividends) or capital gains from non-portfolio properties (as defined in the Tax Act) at a combined federal/provincial tax rate similar to that of a corporation. Allocations or distributions of income and capital gains that are subject to the SIFT Rules will be taxed

as a dividend from a taxable Canadian corporation in the hands of the beneficiaries or partners of the SIFT. Subject to the Normal Growth Guidelines, the SIFT Rules will not apply until 2011 to trusts or partnerships that would have been SIFTs on October 31, 2006 if the “SIFT trust” and “SIFT partnership” definitions in the Tax Act had been in force as of that date.

Certain real estate investment trusts that satisfy all of the conditions for the REIT Exception are excluded from the SIFT definition and therefore will not be subject to the SIFT Rules. In order to qualify for the REIT Exception in respect of a taxation year: (i) the REIT must, at no time in that taxation year, hold non-portfolio property other than “qualified REIT properties” (as defined in the Tax Act); (ii) not less than 95% of the REIT’s revenues for that taxation year must be derived from rent from real or immovable properties, interest, capital gains from dispositions of real or immovable properties, dividends and royalties; (iii) not less than 75% of the REIT’s revenues for that taxation year must be derived from rent from, interest from mortgages or hypothecs on, and capital gains from the disposition of, real or immovable properties situated in Canada; and (iv) the REIT must, throughout the taxation year, hold real or immovable properties situated in Canada, cash and certain government-guaranteed debt with a total fair market value that is not less than 75% of the REIT’s equity value.

Dundee REIT has advised that it intends to satisfy all of the conditions for the REIT Exception before January 1, 2008. Therefore, it is not expected that Dundee REIT will be subject to the SIFT Rules. Further, beginning January 1, 2008, Dundee REIT is not expected to be subject to the Normal Growth Guidelines.

Taxation of Dundee REIT and Its Subsidiaries

Sale of Purchased Assets and the REIT Exception Transactions

The sale of the Purchased Assets will result in the realization by Dundee Properties LP and its Subsidiaries of income, including income resulting from the recapture of capital cost allowance (“CCA”) in respect of buildings and other depreciable properties disposed of (“**Recapture Income**”), to the extent that the lesser of the proceeds of disposition allocated to such properties and the cost amount of such properties exceeds the undepreciated capital cost of the particular prescribed class for purposes of the Tax Act. Dundee Properties LP and its Subsidiaries will also realize capital gains on the disposition of such assets to the extent that the proceeds of disposition of the Purchased Assets exceed the aggregate of the cost or capital cost, as applicable, of such assets and the amount of reasonable expenses incurred to dispose of the Purchased Assets. In addition, Dundee REIT and its Subsidiaries may realize income or capital gains resulting from the REIT Exception Transactions. Dundee REIT has advised that it currently expects any such amounts to be nominal. CCA will not be available in the 2007 fiscal period of Dundee Properties LP and its Subsidiaries in respect of the assets disposed of on the sale of the Purchased Assets.

Computation of Income and Taxable Capital Gains of Dundee REIT

Dundee REIT will have to include in computing its income an amount equal to all of the income (including Recapture Income) and net taxable capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions. In accordance with the Declaration of Trust, Dundee REIT’s income (including Recapture Income) and net taxable capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions will be paid to Redeeming Unitholders by way of a cash distribution. No distributions of income or capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions will be made in respect of REIT units that are not subject to the Redemption and the Transfer. Accordingly, Dundee REIT will generally not be liable for income tax under Part I of the Tax Act on income and net taxable capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions.

Taxation of Redeeming Unitholders Resident in Canada

The following portion of this summary is generally applicable to a Redeeming Unitholder, who for purposes of the Tax Act, and at all relevant times is, or is deemed to be, a resident of Canada.

90/10 Split

In respect of REIT units disposed of on the Redemption and the Transfer, each Redeeming Unitholder will dispose of approximately 90% of such REIT units on the Redemption and approximately 10% of such REIT units on the Transfer.

Dundee REIT Distributions Paid on Redemption

A Redeeming Unitholder will generally be required to include in income for the Redeeming Unitholder's taxation year in which the current taxation year of Dundee REIT ends, the portion of net income (including Recapture Income) and net taxable capital gains of Dundee REIT arising from the sale of the Purchased Assets and the REIT Exception Transactions that is paid to the Redeeming Unitholder by way of cash distributions in connection with the Redemption of its REIT units. Provided that appropriate designations are made by Dundee REIT, that portion of Dundee REIT's net taxable capital gains that is paid to a Redeeming Unitholder will effectively retain its character and be treated as such in the hands of such Redeeming Unitholder for purposes of the Tax Act. The non-taxable portion of any net capital gains of Dundee REIT that is paid to a Redeeming Unitholder will not be included in computing the Redeeming Unitholder's income for the year. The Recapture Income will be taxable as ordinary income in the hands of a Redeeming Unitholder. Dundee REIT has advised that, assuming that the Redemption Number of Units is 32,068,610, the amount of Recapture Income is not expected to exceed \$4.50 per REIT unit acquired pursuant to the Redemption. No distribution of income (including Recapture Income) or capital gains arising from the sale of the Purchased Assets will be made in respect of REIT units that are not subject to the Redemption and the Transfer. In addition, any income or capital gains arising from the REIT Exception Transactions will be distributed only to the Redeeming Unitholders.

Redemption of Units

On the disposition of a REIT unit pursuant to the Redemption, a Redeeming Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Redeeming Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the Redeeming Unitholder's adjusted cost base ("ACB") of a REIT unit and any reasonable costs of disposition. For this purpose, proceeds of disposition on the Redemption will not include an amount paid by Dundee REIT that is otherwise required to be included in the Redeeming Unitholder's income and that represents income (including Recapture Income) and net taxable capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions, nor will it include an amount paid by Dundee REIT to the Redeeming Unitholder that represents the non-taxable portion of capital gains. The computation of the ACB of a REIT unit will be subject to the averaging provisions in the Tax Act. Any capital gain (or capital loss) realized by the Redeeming Unitholder on the disposition of a REIT unit on the Redemption will be subject to the general rules relating to the taxation of capital gains (or losses) described below. In particular, a Redeeming Unitholder may be subject to the suspended loss rules in the Tax Act in respect of any capital loss realized on the Redemption of its REIT units if it acquires any REIT units within the prescribed time period.

Transfer of Units to the Purchaser

On the disposition of a REIT unit pursuant to the Transfer, a Redeeming Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Redeeming Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the Redeeming Unitholder's ACB of a REIT unit and any reasonable costs of disposition. The computation of the ACB of a REIT unit will be subject to the averaging provisions in the Tax Act. Any capital gain (or capital loss) realized by the Redeeming Unitholder on the disposition of a REIT unit on the Transfer will be subject to the general rules relating to the taxation of capital gains (or losses) described below. In particular, a Redeeming Unitholder may be subject to the suspended loss rules in the Tax Act in respect of any capital loss realized on the Transfer if it acquires any REIT units within the prescribed time period.

Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Redeeming Unitholder on the Redemption or Transfer and the amount of any net taxable capital gains distributed by Dundee REIT to a Redeeming Unitholder in connection with the Redemption will be included in the Redeeming Unitholder's income as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized by a Redeeming Unitholder on the Redemption or Transfer may generally be deducted only from taxable capital gains realized by the Redeeming Unitholder (including any net taxable capital gains distributed by Dundee REIT), subject to and in accordance with the provisions of the Tax Act. Allowable capital losses not deducted in the taxation year in which they are realized may be carried back and deducted in any of the three preceding years or carried forward and deducted in any subsequent year against capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

A Redeeming Unitholder that is a “Canadian-controlled private corporation” throughout the year (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6²/₃% on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains.

Alternative Minimum Tax

In general, (i) net income arising from the sale of the Purchased Assets and the REIT Exception Transactions that is paid by Dundee REIT to a Redeeming Unitholder who is an individual or trust (other than certain specified trusts) and that is designated as net taxable capital gains and (ii) capital gains realized on the disposition of REIT units on the Redemption and the Transfer may increase the Redeeming Unitholder’s liability for alternative minimum tax.

Summary

In summary, on the Redemption of a REIT unit, a Redeeming Unitholder will be allocated a pro rata share of any income (including Recapture Income) arising from the sale of the Purchased Assets and the REIT Exception Transactions, which amount will be taxable as ordinary income to the Redeeming Unitholder. A Redeeming Unitholder will also be allocated a pro rata share of any taxable capital gain arising from the sale of the Purchased Assets and the REIT Exception Transactions, which will retain its character as a taxable capital gain in the hands of the Redeeming Unitholder. However, a Redeeming Unitholder will not have to include in its income a pro rata share of the non-taxable portion of any capital gain arising from the sale of the Purchased Assets and REIT Exception Transactions, and such amount will not reduce the ACB of the Redeeming Unitholder’s REIT units.

The Redeeming Unitholder will generally also realize a capital gain (or capital loss) on the Redemption of a REIT unit to the extent that the proceeds of disposition as reduced by both (a) the Redeeming Unitholder’s pro rata share of any income (including Recapture Income) arising from the sale of the Purchased Assets and the REIT Exception Transactions, and (b) the Redeeming Unitholder’s pro rata share of the taxable and non-taxable portion of any capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions, exceed (are exceeded by) the aggregate of the Redeeming Unitholder’s ACB of the REIT unit and the Redeeming Unitholder’s reasonable costs of disposition.

To assist Redeeming Unitholders in determining the tax consequences of the Redemption of a REIT unit, the following is a description of the above summary by way of formula involving the variables A, B, C and D, which are defined as follows on a per unit basis.

- A = Redeeming Unitholder’s share of the allocated income (including Recapture Income),
- B = Redeeming Unitholder’s share of the taxable portion of allocated capital gains,
- C = Redeeming Unitholder’s share of the non-taxable portion of such capital gains (same amount as B), and
- D = \$47.50 — (A + B + C) and will be the Redeeming Unitholder’s proceeds of disposition for capital gains purposes in respect of the Redemption of a REIT unit.

The tax consequences of a Redeeming Unitholder in respect of a Redemption of REIT unit may be summarized as follows using these variables:

- (a) The amount of A will be included in computing the income of the Redeeming Unitholder as ordinary income;
- (b) The amount of B will be included in computing the income of the Redeeming Unitholder and will retain its character as a taxable capital gain;
- (c) The amount of C will not be included in computing the income of the Redeeming Unitholder and will not reduce the ACB of the Redeeming Unitholder’s REIT unit; and
- (d) The Redeeming Unitholder will realize a capital gain (or loss) on the Redemption of a REIT unit to the extent that the amount of D exceeds (is exceeded by) the Unitholder’s ACB of the REIT unit immediately before the Redemption and the Redeeming Unitholder’s reasonable costs of disposition.

In addition, on the Transfer of a REIT unit, a Redeeming Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Redeeming Unitholder’s proceeds of disposition exceed (or are exceeded by) the aggregate of the Redeeming Unitholder’s ACB of a REIT unit and any reasonable costs of disposition.

A Redeeming Unitholder's ACB of a REIT unit immediately before the Redemption and the Transfer will generally include all amounts paid or payable by the Redeeming Unitholder for the REIT unit with certain adjustments, including a reduction for amounts in excess of the net income and capital gains of Dundee REIT that were previously paid or payable by Dundee REIT in respect of the REIT unit. The computation of a Redeeming Unitholder's ACB will be subject to the averaging rules under the Tax Act.

The foregoing summary is intended to be illustrative of the tax consequences of the sale of the Purchased Assets, the Redemption and the Transfer and is not intended to be tax advice to any particular Redeeming Unitholder. Redeeming Unitholders should consult their own tax advisors with respect to their particular circumstances.

Taxation of Redeeming Unitholders Not Resident in Canada

The following portion of the summary is generally applicable to a Redeeming Unitholder who, for purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not, has not been, or is not deemed to be, a resident of Canada (a "**Non-Resident Unitholder**"), and who does not use or hold, and is not deemed to use or hold, REIT units in the course of carrying on a business in Canada. Special rules, which are not discussed in this summary, may apply to a Non-Resident Unitholder that is an insurer carrying on business in Canada and elsewhere.

Dundee REIT Distributions Paid on Redemption

A Non-Resident Unitholder will be subject to Canadian non-resident withholding tax under Part XIII of the Tax Act at a rate of 25% on the Non-Resident Unitholder's share of the income (including Recapture Income) arising from the sale of the Purchased Assets and the REIT Exception Transactions that is paid to the Non-Resident Unitholder in connection with the Redemption. Dundee REIT has advised that, assuming that the Redemption Number of Units is 32,068,610, the amount of Recapture Income is not expected to exceed \$4.50 per REIT unit acquired pursuant to the Redemption. Similarly, a Non-Resident Unitholder will generally be subject to Canadian non-resident withholding tax under Part XIII of the Tax Act at a rate of 25% on the Non-Resident Unitholder's share of the capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions that is paid to the Non-Resident Unitholder in connection with the Redemption. Dundee REIT has advised that, assuming that the Redemption Number of Units is 32,068,610, the amount of such capital gains is not expected to exceed \$25.00 per REIT unit acquired pursuant to the Redemption. The 25% rate of withholding tax referred to above is subject to reduction pursuant to the provisions of an applicable income tax convention. For example, the reduced rate under the Canada-U.S. Tax Convention is generally 15%.

In addition, a Non-Resident Unitholder will generally be subject to Canadian withholding tax at a rate of 15% (the "**Mutual Fund Withholding Tax**") on any distribution in respect of a REIT unit of a "mutual fund trust" that is a "Canadian property mutual fund investment" that is not otherwise subject to Canadian income tax under Part I of the Tax Act or Canadian withholding tax under Part XIII of the Tax Act. A REIT unit will be a "Canadian property mutual fund investment" to a Non-Resident Unitholder. Assuming that the REIT units are not "taxable Canadian property" to the Non-Resident Unitholder as described below and are therefore not subject to Part I tax on the disposition of the REIT units on the Redemption, the Non-Resident Unitholder will be subject to the Mutual Fund Withholding Tax on the amount by which its share of the cash distribution by Dundee REIT in connection with the Redemption of its REIT units exceeds the aggregate of (i) its share of the income (including Recapture Income) and (ii) capital gains arising from the sale of the Purchased Assets and the REIT Exception Transactions which are subject to Canadian withholding tax under Part XIII of the Tax Act as described above.

In effect, the entire amount paid to a Non-Resident Unitholder on the Redemption of its REIT units will be subject to Canadian withholding tax. However, a Non-Resident Unitholder may be able to obtain a refund in respect of its Mutual Fund Withholding Tax payable to the extent that the Non-Resident Unitholder has Canadian property mutual fund losses, which generally would include any losses realized by the Non-Resident Unitholder on the disposition of its REIT units on the Redemption and the Transfer. A Non-Resident Unitholder must file a Canadian federal return of income in prescribed form within the prescribed time in order to obtain such refund. **Non-Resident Unitholders should consult their own tax advisors with respect to the tax consequences of a disposition of REIT units upon the Redemption.**

Transfer of Units to the Purchaser

A Non-Resident Unitholder generally will not be subject to tax under the Tax Act in respect of a capital gain, or entitled to deduct any capital loss, realized upon the Transfer of its REIT units unless the REIT units are “taxable Canadian property” to such Non-Resident Unitholder and the Non-Resident Unitholder is not entitled to an exemption pursuant to the provisions of an applicable income tax treaty or convention. REIT units of a Non-Resident Unitholder generally will not be considered “taxable Canadian property” unless (i) at any time during the 60-month period immediately preceding the Transfer, not less than 25% of the issued REIT units were owned by that Non-Resident Unitholder, by persons with whom that Non-Resident Unitholder does not deal at arm’s length, or by that Non-Resident Unitholder together with such persons, or (ii) the REIT units are otherwise deemed to be “taxable Canadian property”. **Non-Resident Unitholders for whom REIT units are “taxable Canadian property” should consult their own tax advisors with respect to the tax consequences of a disposition of REIT units upon the Transfer.**

TRADING HISTORY OF UNITS

The Units are listed on the TSX under the symbol “D.UN”. The following table sets forth for the periods indicated the high and low closing prices per Unit and volumes of Units traded on the TSX as compiled by the TSX for each month from July 2006:

<u>2006</u>	<u>The Toronto Stock Exchange</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>
	(\$)	(\$)	
July	29.14	27.94	766,973
August	32.24	28.50	1,565,930
September	34.95	31.55	2,397,450
October	35.00	33.50	3,005,718
November	38.22	32.25	2,835,876
December	38.98	36.16	3,641,398
<u>2007</u>			
January	40.65	37.60	3,274,295
February	42.70	39.20	3,299,526
March	40.85	37.61	3,438,990
April	41.20	38.76	2,814,782
May	41.25	37.76	2,295,911
June	47.39	39.65	12,644,282
to July 12	45.40	44.75	1,706,312

The Redemption and the Transfer amount of \$47.50 cash per unit represents an approximate 18.9% premium to the closing price of the Units on the TSX on June 1, 2007, being the trading day immediately prior to the announcement of the Transaction, and a premium of approximately 19% over the volume weighted average trading price on the TSX during the period of 20 trading days ended on June 1, 2007.

INTERESTS OF TRUSTEES AND SENIOR OFFICERS

The following table indicates, as at July 12, 2007, the number, designation and the percentage of outstanding securities of Dundee REIT beneficially owned, or over which control or direction is exercised by each Trustee and senior officer or other insider of Dundee REIT.

<u>Name</u>	<u>Position with Dundee REIT</u>	<u>Number and Class of Securities Held</u> ⁽¹⁾	<u>Percentage of Class of Securities</u>
Mario Barrafato	Senior Vice-President and Chief Financial Officer	4,932	0.01%
Dr. Günther Bautz	Trustee	20,037	0.05%
Detlef Bierbaum	Trustee	4,702	0.01%
Donald K. Charter	Trustee	52,538	0.13%
Michael J. Cooper ⁽²⁾	Trustee, Vice Chairman and Chief Executive Officer	704,744	1.69%
Peter A. Crossgrove	Trustee	17,760	0.04%
Jane Gavan	Secretary	10,531	0.03%
Joanne Ferstman	Trustee	2,204	0.01%
Robert G. Goodall	Trustee	19,280	0.05%
David J. Goodman	Trustee	7,119	0.02%
Ned Goodman ⁽³⁾	Trustee	128,093	0.31%
Duncan Jackman	Trustee	2,353	0.01%
J. Michael Knowlton	President and Chief Operating Officer	40,803	0.10%
Robert Tweedy	Trustee	1,000	0.00%
Dundee Corporation, directly and indirectly through its subsidiaries. ⁽⁴⁾			

Notes:

- (1) All securities held are Units.
- (2) Mr. Cooper holds a 21.7% equity interest in DRC, which holds 582,514 LP Units and the same number of corresponding Special Trust Units.
- (3) Does not include the REIT units beneficially owned or over which control or direction is exercised by Dundee Corporation, an associate of Ned Goodman. See “The Special Meeting — Principal Holders of Voting Securities”.
- (4) See “The Special Meeting — Principal Holders of Voting Securities”.

Other than as described above or as disclosed in this Circular, to the knowledge of Dundee REIT after reasonable inquiry, no associate of a Trustee or senior officer or other insider of Dundee REIT or any other person or company holds more than 10% of any class of equity security of Dundee REIT. See “The Special Meeting — Principal Holders of Voting Securities”.

INTENTIONS WITH RESPECT TO THE PROPOSED TRANSACTION

The Trustees and senior officers of Dundee REIT and, to their knowledge after reasonable inquiry, each associate of the foregoing, entitled to vote as the Meeting have indicated their intention to vote in favour of the Special Resolution. See “Interests of Trustees and Senior Officers” and “The Special Meeting — Principal Holders of Voting Securities”.

COMMITMENTS TO ACQUIRE EQUITY SECURITIES

Except pursuant to the Redemption and the Transfer, Dundee Corporation’s obligation to holders of Exchangeable Debentures and the Binding Term Sheet, or as otherwise disclosed in this Circular, none of the Trustees or senior officers of Dundee REIT, and to the knowledge of the Trustees and senior officers of Dundee REIT after reasonable inquiry, no associate of a Trustee or senior officer of Dundee REIT, person or company holding more than 10% of any class of equity securities of Dundee REIT or person acting jointly or in concert with Dundee REIT has made any commitments to acquire equity securities of Dundee REIT.

ARRANGEMENTS BETWEEN DUNDEE REIT AND UNITHOLDERS

Except for the Binding Term Sheet, the Side Letter, the Asset Management Agreement or as otherwise described in this Circular, no contract, arrangement or understanding, formal or informal has been entered into between Dundee REIT and any securityholder of Dundee REIT or any person or company with respect to any securities of Dundee REIT.

PREVIOUS PURCHASES AND SALES

No securities of Dundee REIT have been purchased by Dundee REIT during the 12 months preceding the date of this Circular. The only securities sold by Dundee REIT during the 12 months preceding the date hereof are set out below under “Previous Distributions of Units”.

PREVIOUS DISTRIBUTIONS OF UNITS

During the five years preceding the date hereof, Dundee REIT has completed the following distributions of REIT units:

On June 30, 2003, Dundee REIT issued 16,279,437 REIT units to shareholders of DRC in connection with the sale of properties to Dundee REIT by DRC.

On November 5, 2003, Dundee REIT completed a public offering of 2.6 million Units at a price of \$21.70 per Unit, for total net proceeds of approximately \$51.2 million.

On February 19, 2004, Dundee REIT completed a public offering of 4.537 million Units at a price of \$24.25 per Unit, for total net proceeds of approximately \$104.6 million.

On June 21, 2004, Dundee REIT completed a public offering of \$75.0 million aggregate principal amount of 6.5% convertible unsecured subordinated debentures, for total net proceeds of approximately \$71.4 million.

On April 1, 2005, Dundee REIT completed a public offering of \$100.0 million aggregate principal amount of Series 2005-1 5.7% convertible unsecured subordinated debentures for total net proceeds of approximately \$95.3 million.

On December 14, 2005, Dundee REIT completed a public offering of 2.6 million Units at a price of \$25.00 per Unit, and on December 22, 2005, Dundee REIT issued an additional 0.39 million Units, also at a price of \$25.00 per Unit, pursuant to the exercise of an over-allotment option granted to the underwriters, for total net proceeds of approximately \$71.3 million.

On April 7, 2006, Dundee REIT completed a public offering of 2.2 million Units at a price of \$27.75 per unit. On April 28, 2006, Dundee REIT issued an additional 0.32 million Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$66.7 million.

On June 8, 2006, Dundee REIT completed a public offering of 3.56 million Units at a price of \$28.10 per unit. The net proceeds of this offering were approximately \$95.6 million.

On December 12, 2006, Dundee REIT completed a public offering of 4.11 million Units at a price of \$36.50 per unit. The net proceeds of this offering were approximately \$143.5 million.

On March 12, 2007, Dundee REIT completed a public offering of 3.7 million Units at a price of \$40.75 per unit. On March 29, 2007, Dundee REIT issued an additional 0.495 million Units at the same price pursuant to the exercise of the over-allotment option granted to the underwriters of the offering. The net proceeds of this offering were approximately \$163.5 million.

In addition, Dundee REIT distributes Units on a monthly basis to existing unitholders who elect to reinvest their monthly distributions in Units pursuant to the Distribution Reinvestment Plan. Since September 2003, Dundee REIT has issued 3,468,913 REIT units pursuant to the Distribution Reinvestment Plan. Units distributed pursuant to the Distribution Reinvestment Plan are issued at a price equal to the weighted average closing price of the Units on the TSX for the five trading days immediately proceeding the relevant distribution payment date. Unitholders who participate in the Distribution Reinvestment Plan receive a “bonus” distribution with each reinvestment equal to 4.0% of the amount of the distribution reinvested in the form of additional Units.

Dundee REIT also has a Deferred Unit Incentive Plan, pursuant to which it grants Deferred Units to its Trustees and senior officers and certain of its employees. Units are issued to participants in the Deferred Unit Incentive Plan upon vesting of the Deferred Units, unless deferred in accordance with the terms of the Deferred Unit Incentive Plan. Since September 2003, Dundee REIT has issued 49,128 Units upon the vesting of Deferred Units pursuant to the Deferred Unit Incentive Plan.

Pursuant to the terms of the Debentures, the 6.5% Debentures are convertible into Units at a conversion price of \$25.00 per Unit (being a conversion ratio of 40 Units per \$1,000 principal amount) and the 5.7% Debentures are convertible into Units at a conversion price of \$30.00 per Unit (being a conversion ratio of 33.33333 units per \$1,000 principal amount). Since issuing Debentures, Dundee REIT has issued an aggregate of 2,382,320 Units upon the conversion of 6.5% Debentures and 2,258,849 Units upon the conversion of 5.7% Debentures.

Holder of LP Units of Dundee Properties LP have the right to exchange such units for REIT Units, Series B on a one-for-one basis. Each REIT Unit, Series B is convertible at any time at the option of the holder into one fully-paid and non-assessable Unit. Since September 2003, Dundee REIT has issued an aggregate of 1,026,192 REIT Units, Series B pursuant to the exchange of LP Units, all of which REIT Units, Series B were subsequently converted into Units on a one-for-one basis.

DISTRIBUTION RECORD

Dundee REIT’s distribution policy requires it to make cash distributions to its unitholders, including its principal investor. Monthly distributions are generally paid to unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month. To date, Dundee REIT has declared distributions of \$0.183 per unit in each month since July 2003. The distribution rate of \$0.183 per unit paid monthly will continue for the foreseeable future once the Transaction is completed.

PRIOR VALUATIONS AND PRIOR OFFERS

Dundee REIT routinely assesses the value of assets prior to their acquisition, financing or refinancing and periodically estimates the value of specific assets in the ordinary course of its business. Except for the Blackmont Valuations, to the knowledge of Dundee REIT, the Trustees and senior officers of Dundee REIT after reasonable inquiry, there are no prior valuations (as defined under Rule 61-501) of Dundee REIT, its material assets or its securities made in the 24 months preceding the date hereof. See “The Transaction — Blackmont Valuations and Fairness Opinion”.

Except as disclosed in this Circular, there are no bona fide prior offers that relate to the subject matter of or are otherwise relevant to the Transaction which were received by Dundee REIT in the 24 months preceding the date the Transaction was agreed to.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except pursuant to the Binding Term Sheet, the Asset Management Agreement or as otherwise disclosed in this Circular or as described below, Dundee REIT and executive officers of Dundee REIT are not aware of any material interest, direct or indirect, of any Trustee, executive officer of Dundee REIT, trustee, Trustee or executive officer of any subsidiary of Dundee REIT or any person or company who beneficially owns, directly or indirectly, voting securities of Dundee REIT or who exercises control or direction over voting securities of Dundee REIT or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of Dundee REIT, or any associate or affiliate of any of the foregoing, in any transaction since the commencement of Dundee REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Dundee REIT or its subsidiaries. See also "The Special Meeting — Principal Holders of Voting Securities" and "Interests of Trustees and Senior Officers".

On April 7, 2006, Dundee REIT completed a public offering of 2.2 million Units at a price of \$27.75 per unit, and on April 28, 2006, Dundee REIT issued an additional 0.32 million Units, also at a price of \$27.75 per unit, pursuant to the exercise of an over-allotment option granted to the underwriters. The underwriters of this offering received total fees of approximately \$2.8 million.

On June 8, 2006, Dundee REIT completed a public offering of 3.56 million Units at a price of \$28.10 per unit. The underwriters of this offering received total fees of approximately \$4.0 million.

On December 12, 2006, Dundee REIT completed a public offering of 4.11 million Units at a price of \$36.50 per unit. The underwriters of this offering received total fees of approximately \$6.0 million.

On March 12, 2007, Dundee REIT completed a public offering of 3.7 million Units at a price of \$40.75 per unit and on March 29, 2007, Dundee REIT issued an additional 0.495 million Units, also at a price of \$40.75 per unit, pursuant to the exercise of an over-allotment option granted to the underwriters. The underwriters of this offering received total fees of approximately \$6.8 million.

Dundee Securities Corporation, an indirect subsidiary of Dundee Corporation, was a member of the underwriting syndicates for these public offerings. Ned Goodman, a Trustee, is and was at the time of these public offerings an officer of Dundee Corporation.

On May 12, 2006, Dundee REIT acquired, through Dundee Properties LP, the remaining 50% interest in Dundee Management LP from DRC. The initial purchase price was satisfied through the issuance by Dundee Properties LP of LP Units, which may be surrendered or indirectly exchanged for REIT Units, Series B at the option of the holder. On closing, 450,000 LP Units were issued to DRC for consideration of approximately \$12.4 million. A further 100,000 LP Units were released from escrow to DRC on June 30, 2007, all in accordance with a formula established in the purchase agreement and proportionate to the acquisitions completed by Dundee REIT. DRC, the vendor in this transaction, is an associate of Michael J. Cooper. In addition, DRC is an indirect subsidiary of Dundee Corporation. Ned Goodman, a Trustee, is and was at the time of this transaction an officer of Dundee Corporation.

INTEREST OF PERSONS IN THE MATTERS TO BE ACTED UPON AT THE MEETING

Except pursuant to the Binding Term Sheet or as otherwise disclosed in this Circular or as described below, no person who has been a Trustee or executive officer of Dundee REIT at any time since the beginning of Dundee REIT's last financial year and no associate or affiliate of any of the foregoing persons, nor any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to REIT Units, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Meeting.

Because the Transaction involves the sale of a significant portion of the assets indirectly held by Dundee REIT, the Transaction could be considered a "change of control" for the purposes of employment arrangements with certain of the senior officers of Dundee REIT. As described below, certain of the senior officers of Dundee REIT are entitled to additional compensation in the event of a change of control, as well as to additional awards of Deferred Units under Dundee REIT's Deferred Unit Incentive Plan.

As contemplated by the Transaction, the employment of each of the current officers of Dundee REIT will be transferred to DRC on Closing. However, each of the senior officers of Dundee REIT has agreed that the Transaction does not constitute a change of control for purposes of his employment arrangement and therefore he will not

receive any change of control compensation that could otherwise be payable as a result of the transfer of his employment to DRC as contemplated by the Transaction. Each of the current four officers of Dundee REIT, being Michael J. Cooper, J. Michael Knowlton, Mario Barrafato and Jane Gavan, will receive a special award of Deferred Units under Dundee REIT's Deferred Unit Incentive Plan in connection with the Transaction. Mr. Cooper will receive an award of 65,000 Deferred Units, Mr. Knowlton will receive an award of 12,500 Deferred Units, Mr. Barrafato will receive an award of 7,500 Deferred Units and Ms. Gavan will receive an award of 7,000 Deferred Units.

The Compensation Committee of the Board previously approved certain changes to Michael J. Cooper's employment agreement, as follows: If Mr. Cooper is terminated other than by reason of death, disability or voluntary resignation, the amended agreement will entitle Mr. Cooper to receive a lump sum payment consisting of three years' salary using his annual salary in the calendar year prior to the year in which he is terminated, and three years' bonus using the average of his bonuses over the last three calendar years prior to the year in which he is terminated. In addition, the amended agreement will provide that Mr. Cooper has the right to elect that there has been a termination in his employment and to receive the lump sum payment upon (i) any material diminution of his compensation, duties or responsibilities, (ii) Dundee REIT's failure to comply with any material term of the agreement, or (iii) Dundee REIT's failure to obtain the assumption of the agreement by any successor upon a change of control. However, Mr. Cooper has agreed that the Transaction does not constitute a change of control for purposes of his employment arrangement and therefore he will not receive any compensation that could otherwise be payable as a result of the transfer of his employment to DRC as contemplated by the Transaction.

J. Michael Knowlton does not have an employment agreement with Dundee REIT. However, the Board previously approved and awarded a special bonus of \$1.0 million to Mr. Knowlton, payable in cash or Deferred Units, to be payable on June 30, 2008. The bonus will only be payable if Mr. Knowlton remains an employee of Dundee REIT continuously to such date. Should Mr. Knowlton be terminated for any reason, the amount of the special bonus will be paid to Mr. Knowlton in full, but the unearned portion of the bonus (pro-rated from July 1, 2003 to June 30, 2008) will be applied against any severance amounts that would otherwise be paid to Mr. Knowlton. In the event that Dundee REIT undergoes a change of control, the full amount of the special bonus will become immediately due and payable. In addition, the full amount of the special bonus will become immediately due and payable if, as a result of a major corporate transaction, Mr. Knowlton is subsequently terminated without cause. Subject to the execution of written agreements, the Compensation Committee of the Board previously approved additional compensation for Mr. Cooper, Mr. Knowlton and Mr. Barrafato in the event that Dundee REIT undergoes a change of control. In such circumstances, each of Mr. Knowlton and Mr. Barrafato would be entitled to receive a lump sum payment consisting of two years' salary using his annual salary in the calendar year prior to the year in which he is terminated, and two years' bonus using the average of his bonuses over the last two calendar years prior to the year in which he is terminated. On Closing, the portion of Mr. Knowlton's special bonus that has accrued, being \$833,333, will be paid to Mr. Knowlton by Dundee REIT, however, each of Messrs Knowlton and Barrafato has agreed that the Transaction does not constitute a change of control for purposes of his employment arrangement and therefore he will not receive any compensation that could otherwise be payable as a result of the transfer of his employment to DRC as contemplated by the Transaction.

The Transaction would constitute a change of control for the purposes of Dundee REIT's Deferred Unit Incentive Plan. As such, in accordance with its terms, all Deferred Units outstanding under the Deferred Unit Incentive Plan (including the special awards of Deferred Units in connection with the Transaction) will vest immediately prior to the completion of the Transaction. Dundee REIT intends to enter into an agreement with each Trustee and senior officer of Dundee REIT and with each employee of Dundee Realty Management Corp. who will be employed by DRC following the Transaction, in each case, who holds Deferred Units. The agreement will provide that, in consideration for the holder agreeing to defer the issuance of Units in respect of all of its Deferred Units until after January 1, 2008, Dundee REIT will purchase for cancellation at the Effective Time, at the election of the holder, 25%, 50%, 58% or the Proportionate Percentage of the holder's Deferred Units for \$47.50 cash per Deferred Unit. The holder would retain the balance of his or her Deferred Units until at least January 1, 2008.

In connection with the Transaction, on June 3, 2007, Dundee Corporation, DRC, Dundee REIT and GE Real Estate entered into the Side Letter. DRC is an associate of Michael J. Cooper. In addition, DRC is an indirect subsidiary of Dundee Corporation. Two trustees of Dundee REIT, being Ned Goodman and Joanne Ferstman, are officers of Dundee Corporation. See "The Purchase Agreement and Related Agreements — Summary of Lock-Up Agreement and Side Letter".

On Closing DRC will enter into the Asset Management Agreement with Dundee REIT and an asset management agreement with GE Real Estate. DRC is an associate of Michael J. Cooper. In addition, DRC is an indirect subsidiary of Dundee Corporation. Two trustees of Dundee REIT, being Ned Goodman and Joanne Ferstman, are officers of Dundee Corporation. See “The Purchase Agreement and Related Agreements — Summary of Asset Management Agreement”.

See also “The Special Meeting — Principal Holders of Voting Securities” and “Interests of Trustees and Senior Officers”.

EXPENSES

In connection with the Transaction, Dundee REIT and its Subsidiaries expect to incur expenses of approximately \$9 million, including financial, legal, accounting, tax, proxy solicitation agent, depositary, filing and printing fees. In the event that the Transaction is completed, GE Real Estate has agreed to be responsible for two-thirds of certain agreed-upon transaction costs related to the Transaction. See “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Fees and Expenses”.

DEPOSITARY AND SOLICITATION AGENT

Computershare Investor Services Inc. is acting as depositary in connection with the Redemption and the Transfer. The Depositary will receive deposits of certificates representing REIT units and accompanying Letters of Transmittal and Election Forms at the office specified in the Letter of Transmittal and Election Form. The Depositary will also be responsible for giving certain notices, if required, and disbursing payment for the Acquired Units. The Depositary will receive reasonable and customary compensation from Dundee REIT for its services in connection with the Redemption and the Transfer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under applicable Securities Laws.

Dundee REIT has retained the services of Georgeson to assist with the solicitation of proxies in respect of the Transaction. Georgeson will receive reasonable and customary compensation for its services in connection with the Transaction, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities that may arise out of the performance of its obligations as proxy solicitation agent.

LEGAL MATTERS

Osler, Hoskin & Harcourt LLP, counsel to Dundee REIT, has advised Dundee REIT with respect to certain legal matters in connection with the Transaction. Wilson & Partners LLP, a law firm affiliated with PricewaterhouseCoopers LLP, has acted as special tax counsel to Dundee REIT and has advised Dundee REIT with respect to certain tax matters in connection with the Transaction.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Dundee REIT are PricewaterhouseCoopers LLP, located in Toronto, Ontario, who were appointed as auditors of Dundee REIT on June 23, 2003. The transfer agent and registrar of Dundee REIT is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

OTHER BUSINESS

Management does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

ADDITIONAL INFORMATION

Additional information relating to Dundee REIT is available on SEDAR at www.sedar.com.

Unitholders may request copies of Dundee REIT's financial statements and Management's Discussion and Analysis by sending a request in writing to:

Dundee Real Estate Investment Trust
c/o Chief Financial Officer
30 Adelaide Street East, Suite 1600
Toronto, Ontario
M5C 3H1

Financial information is provided in Dundee REIT's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year.

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this Circular or require assistance in completing your proxy form, please contact Georgeson, the proxy solicitation agent for Dundee REIT, toll-free at 1-888-605-7619.

GLOSSARY OF TERMS

The following is a glossary of terms used frequently throughout the Meeting Materials.

“5.7% Debentures” means the Series 2005-1 5.7% convertible unsecured subordinated debentures of Dundee REIT due March 31, 2015.

“6.5% Debentures” means the 6.5% convertible unsecured subordinated debentures of Dundee REIT due June 30, 2014.

“Accounting Referee” means a senior audit partner at the Toronto office of KPMG LLP chosen by the managing partner of such office.

“Acquired Units” means the REIT units to be redeemed by Dundee REIT pursuant to the Redemption and the REIT units to be purchased by GE Real Estate pursuant to the Transfer.

“Acquisition Notice” means a written notice delivered by Dundee REIT to the Depositary indicating the Acquisition Number of REIT units to be redeemed by Dundee REIT or purchased by GE Real Estate pursuant to the Redemption and the Transfer.

“Acquired Number of Units” means the actual aggregate number of REIT units (i) redeemed by Dundee REIT and (ii) transferred to GE Real Estate, being the Redemption Number plus 3,473,684 (or zero if the Transfer is not completed as described in “Redemption and Transfer of REIT Units — Redemption and Transfer”).

“Acquisition Proposal” means any proposal or offer (written or oral) made by any Person other than the Purchaser (or any affiliate of the Purchaser or any Person acting jointly and/or in concert with the Purchaser or any affiliate of the Purchaser) with respect to the acquisition, directly or indirectly, of assets, securities or ownership interests of or in Dundee REIT or any of its Subsidiaries (or rights or interests therein or thereto) representing 20% or more of the fair market value of the assets of Dundee REIT and its Subsidiaries taken as a whole or contributing 20% or more to the consolidated revenues or net income of Dundee REIT, in a single transaction or a series of transactions, or of equity interests (or securities exchangeable or exercisable for or convertible into equity interests) in Dundee REIT or its Subsidiaries representing a 20% or greater economic or voting interest in Dundee REIT and its Subsidiaries taken as a whole, in a single transaction or a series of transactions pursuant to any merger, amalgamation, tender offer, share exchange, business combination, liquidation, dissolution, recapitalization, take-over or non-exempt issuer bid, amendment to the Declaration of Trust or Dundee Limited Partnership Agreement, redemption of units, extraordinary distribution, sale, lease, exchange, mortgage, pledge, transfer, purchase or issuance as consideration or similar transaction or series of transactions involving Dundee REIT or any of such Subsidiaries.

“Affiliate” or **“affiliate”** has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities Administrators.

“ARC” means an advanced ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act.

“Asset Management Agreement” means the modified form of asset management agreement between DRC, Dundee REIT, Dundee Properties LP and the Operating Trusts, to be entered into on Closing, the form of which is attached as Schedule A to the amendment to the Purchase Agreement dated July 13, 2007.

“associate” has the meaning ascribed thereto in the Securities Act.

“Assumed Liabilities” means the Liabilities of the Vendors and their Subsidiaries which the Purchaser has agreed to assume pursuant to the Purchase Agreement.

“Assumed Properties” means all freehold and leasehold property and interests therein and rights in connection therewith which form part of the Purchased Assets.

“Authorization” means, with respect to any Person, any order, permit, approval, consent, waiver, clearance, licence or similar authorization of any Governmental Authority having jurisdiction over the Person.

“Big MAC” means, with respect to Dundee REIT and its Subsidiaries, any fact, change, effect, event, development, occurrence or set of circumstances, that individually or in the aggregate with all other facts, changes, effects, events, developments, occurrences or sets of circumstances, (i) is materially adverse or would reasonably be expected to be materially adverse to the business, affairs, assets, properties operations, results of operations, prospects or condition (financial or otherwise) of (A) Dundee REIT and its Subsidiaries, taken as a whole, or (B) the Eastern Undertaking, taken as a whole, or (ii) will, or would reasonably be expected to, prevent or materially impair the ability of the parties to consummate the transactions contemplated hereby before October 31, 2007, in each case other than any

fact, change, effect, event, development, occurrence or set of circumstances resulting solely from (1) the announcement of the execution of the Purchase Agreement or the transactions contemplated hereby, (2) the Canadian economy or securities or currency markets in general, (3) changes adversely affecting the mid-sized urban and suburban office and industrial property leasing and management industry in general in Canada, (4) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism, (5) changes in applicable Law or regulations or in Canadian generally accepted accounting principles (other than Laws relating to Taxes or the interpretation thereof), (6) any natural disaster, (7) any change in the trading prices of REIT units solely as a result of the matters referred to in clauses (2) through (6), or (8) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions, in the case of each of clauses (2) through (6), to the extent that they do not affect Dundee REIT or its Subsidiaries, taken as a whole, in a disproportionate manner relative to other real estate investment trusts in the relevant geographic areas.

“Blackmont” means Blackmont Capital Inc.

“Blackmont Fairness Opinion” means the fairness opinion dated June 3, 2007 received by the independent committee from Blackmont, a copy of which is annexed as Appendix C to this Circular.

“Blackmont Valuations” means the formal valuations dated June 3, 2007 conducted by Blackmont, annexed as Appendix C to this Circular.

“Board of Trustees” or **“Board”** means the board of trustees of Dundee REIT.

“Books and Records” means all books and records of Dundee REIT and its Subsidiaries, including financial, personnel, corporate, operations and sales books, books of account, sales and purchase records, lists of suppliers, customers and tenants, formulae, business reports, plans and projections, permits, licenses, approvals and all other documents, surveys, plans, files, records, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media.

“Brookfield Financial” means Brookfield Financial Real Estate Group Limited.

“Brookfield Financial Fairness Opinion” means the fairness opinion dated June 3, 2007 received by the Board from Brookfield Financial, a copy of which is annexed as Appendix B to this Circular.

“Business Day” means any day on which commercial banks are generally open for business both in Toronto, Ontario and New York, New York USA other than a Saturday, a Sunday or a day observed as a holiday either in Toronto, Ontario or New York, New York USA under applicable Law.

“CDS” means CDS Clearing and Depository Services Inc.

“Cap Ex and Development Amount” means the aggregate amount of (a) capital expenditures incurred and paid for by Dundee Properties LP and its Subsidiaries after the date of the Purchase Agreement and prior to Closing in the ordinary course of business in connection with the Eastern Undertaking up to a cumulative maximum of \$3,500,000 and not in excess of \$100,000 for any single capital expenditure or group of related capital expenditures, in each case unless otherwise agreed in writing by GE Real Estate, and (b) development expenses incurred and paid for by Dundee Properties LP and its Subsidiaries after the date of the Purchase Agreement and prior to Closing in connection with the Eastern Undertaking in accordance with (and not in excess of) the schedule of development expenses attached to the Disclosure Letter.

“Capital Expenditures” means all costs incurred from time to time by Dundee REIT or any of its affiliates in connection with the repair or replacement of capital items including, without limitation, environmental remediation costs and such other costs and expenses incurred by Dundee REIT or any of its affiliates for any Property in relation to maintaining compliance with applicable Laws.

“Cash Election” means an election by a unitholder of Dundee REIT to have 100% of its REIT units acquired pursuant to the Redemption and the Transfer.

“Cash Proceeds” means the actual amount of the cash consideration received at Closing from GE Real Estate on account of the purchase price for the Purchased Assets (which will exclude any amounts paid in respect of capital and development expenditures) and, if applicable, the cash consideration received from third parties on or before Closing with respect to Holdback Properties sold to them.

“Cash Purchase Price” means an amount equal to \$1,523,259,010, plus the Cap Ex and Development Amount, less the aggregate value ascribed to the Holdback Properties set forth in the Disclosure Letter.

“Circular” means this management information circular dated July 13, 2007.

“Client” means Dundee REIT, the Operating Trusts and Dundee Properties LP.

“Closing” means the completion of the sale of the Purchased Assets to GE Real Estate at the Time of Closing.

“Closing Date” means the date upon which the Closing occurs, being a date not later than October 31, 2007.

“Closing Date Balance Sheet” means a balance sheet of the Eastern Undertaking as of the Closing Date prepared in accordance with Canadian generally accepted accounting principles as in effect on the date of the Purchase Agreement applied on a basis consistent with those employed in the preparation of the audited financial statements of Dundee Properties LP.

“Closing Funded Debt” means Funded Debt as of the Closing Date.

“Closing Funded Debt Statement” means a statement showing the Closing Funded Debt.

“Closing Statement” means the closing statement, which will present the Closing Working Capital and will be prepared based on the Closing Date Balance Sheet and in the same manner as set out in the Disclosure Letter.

“Closing Working Capital” means the actual current assets of the Eastern Undertaking which are fungible, less current liabilities of the Eastern Undertaking, all calculated in accordance with Canadian generally accepted accounting principles and in the same manner as set forth in the Disclosure Letter of the close of business on the Closing Date.

“Closing Working Capital Documents” means the Closing Date Balance Sheet and the Closing Statement.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Commissioner” means the Commissioner of Competition appointed pursuant to the Competition Act.

“Competition Act” means the Competition Act (Canada), as amended.

“Confidentiality Agreement” means the confidentiality and standstill agreement dated March 12, 2007 between Dundee REIT and GE Real Estate, a division of GE Commercial Finance.

“Contract” means contract, licence, lease, ground lease, co ownership agreement, limited partnership agreement, agreement, obligation, promise, undertaking, understanding, arrangement, document, commitment, entitlement or engagement to which a Vendor or a Subsidiary of any Vendor is a party or by which a Vendor or a Subsidiary of any Vendor is bound or under which a Vendor or a Subsidiary of any Vendor has, or will have, any Liability (in each case, whether written or oral, express or implied).

“Control” means the possession, directly or indirectly, of the power to direct and manage or cause the direction and management of the policies of a Person, whether through the ability to exercise voting control, by contract, or otherwise. “Controls”, “Controlling” and “Controlled” have corresponding meanings.

“CRA” means Canada Revenue Agency.

“Debentures” means, collectively, the 6.5% Debentures and the 5.7% Debentures.

“Debenture Trustee” means Computershare Trust Company of Canada.

“Declaration of Trust” means the amended and restated declaration of trust of Dundee REIT dated May 16, 2006, as it may be amended or amended and restated from time to time.

“Declaration of Trust of Trust A” means the amended and restated declaration of trust of Trust A dated June 30, 2003, as it may be amended or amended and restated from time to time.

“Declaration of Trust of Trust B” means the amended and restated declaration of trust of Trust B dated June 30, 2003, as it may be amended or amended and restated from time to time.

“Deferred Unit Incentive Plan” means the deferred unit incentive plan of Dundee REIT.

“Deferred Units” means deferred trust units and income deferred trust units under the Deferred Unit Incentive Plan.

“Department” means the Department of Finance (Canada).

“Depositary” means Computershare Investor Services Inc. and its successors and assigns.

“Disclosure Letter” means the letter dated June 3, 2007 delivered by Dundee REIT to GE Real Estate and the Purchaser with respect to certain matters in the Purchase Agreement.

“Disposition” means the sale, assignment or other transfer, when completed, of a Property, in whole or in part, and includes any sale, assignment or other transfer to DRC or to any Person in respect of which DRC has an ownership or financial interest provided that DRC has disclosed such interest to Dundee REIT in writing prior to the commencement of the negotiation of the sale price for such Disposition. “Disposition” does not include any sale, assignment or other transfer to any affiliate of Dundee REIT. **“Dispose”** and **“Disposed”** have corresponding meanings.

“Disposition Costs” means all reasonable and necessary costs and expenses incurred in connection with any Disposition, including, without limitation, funds utilized to satisfy legal fees and other expenses associated with the conveyance of title, brokerage fees and expenses, escrow fees, recording fees and transfer taxes, mutation and similar taxes, fees paid to environmental and engineering consultants and all other closing costs associated with the Disposition, other than fees payable under the Asset Management Agreement.

“Distribution Reinvestment Plan” means the distribution reinvestment and unit purchase plan of Dundee REIT and the similar provisions of Schedule A-2 of the Dundee Limited Partnership Agreement.

“DRC” means Dundee Realty Corporation, a corporation governed by the laws of Ontario.

“Dundee Group” means, collectively, Dundee Corporation and its Affiliates, Limited Intelligence and Michael Cooper.

“Dundee Limited Partnership Agreement” means the amended and restated Dundee Properties Limited Partnership Agreement dated as of May 12, 2006 between Properties General Partner, Dundee Consolidated Properties, DRC, Trust A, Trust B and others.

“Dundee Management LP” means Dundee Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which Dundee Management (GP) Inc. (a corporation owned by Dundee Properties LP) is the sole general partner and Dundee Properties LP is the sole limited partner.

“Dundee Properties LP” means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario of which Properties General Partner is the general partner and the Operating Trusts, and certain subsidiaries of Dundee Corporation are the sole limited partners.

“Dundee REIT” means Dundee Real Estate Investment Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario.

“Eastern Portfolio” means Dundee REIT’s portfolio of real estate assets located principally in Ontario, Québec and Newfoundland and certain properties located in Western Canada to be sold to the Purchaser pursuant to the Purchase Agreement.

“Eastern Undertaking” means the undertaking currently carried on by Dundee Properties LP and its Subsidiaries relating exclusively to the Purchased Assets and the Assumed Liabilities.

“Effective Time” means the effective time of the Redemption and the Transfer, being the time at which Dundee REIT delivers the Acquisition Notice to the Depositary.

“Elected Number of Units” means the aggregate number of REIT units elected to be acquired pursuant to the Redemption and the Transfer.

“Election Time” has the meaning ascribed to that term in “Redemption and Transfer of REIT Units — Mechanics of Redemption and Transfer and Procedures for Elections”.

“Engagement Letter” means the engagement letter between Brookfield Financial and Dundee REIT, dated March 28, 2007.

“Estimated Funded Debt” means the estimated Funded Debt of \$905,308,828, as calculated in accordance with the Disclosure Letter.

“Estimated Working Capital” means estimated current assets of the Eastern Undertaking which are fungible, less current liabilities of the Eastern Undertaking, all calculated in accordance with Canadian generally accepted accounting principles and in the same manner as set forth in the Disclosure Letter of \$(10,605,626).

“Exchange and Support Agreement” means the amended and restated exchange and support agreement dated June 14, 2005 between Dundee REIT, the Operating Trusts, Dundee Properties LP, DRC, Dundee Consolidated Properties and others.

“Exchangeable Debentures” means the 5.85% Exchangeable Unsecured Subordinated Debentures of Dundee Corporation dated as of June 22, 2005 and due on June 30, 2015.

“Fasken Martineau” means Fasken Martineau DuMoulin LLP.

“Funded Debt” means all principal and accrued interest owing by Dundee Properties LP and its Subsidiaries on mortgage debt secured by and attributable to the Assumed Properties.

“GE Real Estate” means General Electric Capital Canada or its Affiliates or divisions of its Affiliates, as the context requires.

“Georgeson” means Georgeson Shareholder Communications Canada Inc., proxy solicitation agent for Dundee REIT.

“Governance Agreement” means the governance agreement dated November 4, 2003 between Dundee REIT, Properties General Partner and Dundee Corporation.

“Governmental Authority” means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and (d) any stock exchange or other self-regulatory organization.

“Governmental Damages” means (i) any civil, administrative or criminal penalties or fines paid or payable to a Governmental Authority, (ii) any restitution paid to a third party, in each case, resulting from the (x) conviction (including as a result of the entry of a guilty plea, a consent judgment or a plea of nolo contendere) of Dundee REIT or any of its Subsidiaries of a crime or (y) settlement with a Governmental Authority for the purpose of closing a Governmental Investigation, or (iii) any injunctive relief or requirement to alter business practices.

“Gross Asset Value” is the deemed Gross Book Value (as defined in the Declaration of Trust) of the Properties on the date of the Asset Management Agreement totalling approximately \$1,478,312,000 allocated on a Property by Property basis agreed upon between DRC and Dundee REIT as of the date of the Asset Management Agreement, together with any Holdback Properties in respect of which consent to transfer such properties to GE Real Estate in connection with the Transaction is not received, and all additions based on the gross purchase price of any acquisitions and deletions based on the value recorded in the Gross Book Value for that Property when it is disposed.

“Gross Revenues” means, without duplication, all revenues received by Dundee REIT or any of its affiliates from the ownership, directly or indirectly, of the Properties for the designated period (other than revenues received on behalf of any other Person) but excluding any indebtedness, any extraordinary or nonrecurring revenues, any net proceeds from a sale, exchange, financing or refinancing of any Property, capital contributions, insurance proceeds (excluding any monies received on account of business interruption insurance) or condemnation proceeds, any set off or credits provided to any tenant in respect of any lease, security deposits and other deposits (unless applied to rents then currently due) and termination fees payable by tenants under leases.

“Holdback Adjustments” means the adjustments to the amount of cash consideration available for the Redemption as a result of the Holdback Properties in respect of which a third party having an interest therein has neither consented to the transfer to the Purchaser nor purchased such property prior to Closing.

“Holdback Properties” means (a) the limited partnership interests listed as “JV Interests” in the Disclosure Letter or interests of the Vendors or their Subsidiaries in any Assumed Property where the Vendors or their Subsidiaries are unable to obtain the consent of the other party thereto for the transfer of such interest to the Purchaser prior to Closing in a form and substance acceptable to the Purchaser, and (b) those Assumed Properties forming part of the Purchased Assets on the date of the Purchase Agreement in respect of which a third party has exercised its right to purchase such Assumed Property.

“Indenture” means the trust indenture dated June 21, 2004, as supplemented by a first supplemental indenture dated April 1, 2005 and a second supplemental indenture made effective as of June 21, 2004, in each case between Dundee REIT and the Debenture Trustee.

“independent committee” means the committee of the Board consisting of Messrs Duncan Jackman, Detlef Bierbaum and Peter Crossgrove (as Chair), each of which is an independent trustee of Dundee REIT for purposes of applicable securities law.

“Investment Canada Act” means the Investment Canada Act, as amended.

“Laws” means all statutes, regulations, statutory rules, principles of common law or equity, orders, policies or other standards and terms and conditions of any permit, grant of approval, permission, authority or license (including the “normal growth guidelines” issued by the Department on December 15, 2006) of any Governmental Authority (including the Securities Regulatory Authorities), and the term **“applicable”** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority (including the Securities Regulatory Authorities) having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities, in each case as such Laws may be amended from time to time.

“Letter of Transmittal and Election Form” means the letter of transmittal and election form for use in connection with the Redemption and the Transfer.

“Liabilities” means any and all debts, liabilities and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, including those arising under any Law, those arising under any contract, agreement, commitment, instrument, permit, license or other undertaking and those arising as a result of any act or omission.

“Limited Intelligence” means Limited Intelligence ESL Inc.

“LP Class A Units” means the LP Class A limited partnership units of Dundee Properties LP.

“LP Class B Units, Series 1” or **“LP Units”** means the LP Class B, Series 1 limited partnership units of Dundee Properties LP.

“LP Class B Units, Series 2” means the LP Class B, Series 2 limited partnership units of Dundee Properties LP.

“Lock-Up Agreement” means the lock-up agreement dated June 3, 2007 between GE Real Estate and 0764704 B.C. Ltd., 0764707 B.C. Ltd., DRC, Limited Intelligence, J. Michael Knowlton and Mario Barrafato.

“Locked-Up Unitholders” means 0764704 B.C. Ltd., 0764707 B.C. Ltd., (each of which is an indirect subsidiary of Dundee Corporation), DRC, Limited Intelligence (a corporation all of the voting shares of which are held by Michael J. Cooper) and J. Michael Knowlton and Mario Barrafato, the President and Chief Operating Officer and the Senior Vice-President and Chief Financial Officer, respectively.

“Matching Period” means a period of at least five Business Days.

“Material Contract” means (i) any loan agreement, letter of credit, indenture, note, bond, debenture, mortgage or any other document, agreement or instrument evidencing a capitalized lease obligation or other indebtedness to any Person, or any guaranty thereof, in excess of \$2,000,000 (excluding letters of credit, performance bonds or guaranties entered into in the ordinary course of business), (ii) any contractual obligation (including any brokerage agreement) entered into by Dundee REIT or any of its Subsidiaries that, by its terms, is not terminable within one year (without termination fee or penalty) and that may result in total payments by Dundee REIT or any of its Subsidiaries in excess of \$2,000,000, (iii) any material agreements filed or required to be filed under applicable Securities Laws, (iv) any interest rate cap, interest rate collar, interest rate swap, currency hedging transaction and any other agreement relating to a similar transaction in excess of \$2,000,000 to which Dundee REIT or any of its Subsidiaries is a party or an obligor with respect thereto, (v) any agreement, arrangement or understanding in which the amount involved exceeds \$50,000 per annum with any trustee, director, officer or employee of Dundee REIT or any of its Subsidiaries or any associate or affiliate of any such trustee, director, officer or employee, (vi) any partnership or joint venture agreement with any third parties, (vii) any confidentiality agreement, non-competition agreement or other contract or any agreement that contains covenants that restrict Dundee REIT or any of its Subsidiaries or any of their respective Affiliates’ ability to compete in any line of business or with any Person in any geographical area, (viii) any Contract providing any Person with any option, right of first refusal or similar obligation with respect to any of Dundee REIT’s or its Subsidiaries’ assets, (ix) any agreement pursuant to which Dundee REIT or any of its Subsidiaries manages or provides services with respect to any real properties other than real property owned by Dundee REIT or any of its Subsidiaries, in each case together with all amendments, modification and supplements thereto, (x) any Contract entered into in the past twelve months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by

amalgamation, merger or otherwise), of assets or shares, units or other equity interests of another Person for aggregate consideration in excess of \$1,000,000, (xi) each ground lease with a third party pursuant to which Dundee REIT or any of its Subsidiaries, or any Person in which Dundee REIT or any of its Subsidiaries has an option to acquire a controlling interest is a lessee, (xii) leases with tenants leasing space in any Assumed Property in excess of 50,000 square feet, and (xiii) leases of real property by the Vendors or any of their Subsidiaries, as tenant, with third parties providing for annual rents of \$100,000 or more.

“material fact” and **“material change”** have the meanings attributed to those terms in the Securities Act.

“Meeting” means the special meeting of unitholders to be held on Wednesday, August 15, 2007 at 10:00 a.m. (Toronto time) to consider and if deemed advisable, approve the Special Resolution, and any postponements or adjournments thereof.

“Meeting Materials” means the Notice of Meeting, the Circular, the form of proxy and the Letter of Transmittal and Election Form.

“Meeting Record Date” means the close of business on July 12, 2007, the record date for receiving notice of and voting at the Meeting.

“Minister” means the Minister of Finance (Canada).

“Nominees” means, collectively, the nominee entities listed in the Disclosure Letter holding bare legal title to certain of the Assumed Properties.

“Nominee Shares” means all of the issued and outstanding shares in the capital of each of the Nominees held by Dundee Properties LP and/or any of its Subsidiaries that the Purchaser elects to acquire by providing written notice to Dundee Properties LP at least five Business Days prior to Closing.

“non-U.S. Unitholder” means any unitholder that is not: (i) a citizen of or individual resident in the United States for U.S. federal income tax purposes; (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or a political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over Dundee REIT’s administration and one or more U.S. persons have the authority to control all of its substantial decisions.

“Normal Growth Guidelines” means the Guidance Provided on “Normal Growth” for Income Trusts and Other Flow-Through Entities issued in a press release by the Department on December 15, 2006, which guidelines are incorporated by reference in the SIFT Rules.

“Notice of Meeting” means the notice of special meeting accompanying the Circular.

“Operating Trust Notes” means, collectively, Dundee REIT A Notes and Dundee REIT B Notes.

“Operating Trust Units” means, collectively, Dundee REIT A Units and Dundee REIT B Units.

“Operating Trusts” means, collectively, Trust A and Trust B.

“Person” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

“Pledged Securities” means LP Units and REIT units that have been pledged by an Affiliate of Dundee Corporation in support of the obligations of Dundee Corporation under its Exchangeable Debentures.

“Post-Closing Adjustments” has the meaning ascribed to that term in “Redemption and Transfer of REIT Units — Overview”.

“Pre-Closing Transactions” means such reorganizations of the undertaking, operations and assets of Dundee REIT and its Subsidiaries forming part of the Purchased Assets or the Assumed Liabilities as GE Real Estate or the Purchaser may request (including securing cooperation of joint venture partners, co owners and partners to the transfer of undivided interests in real property held in partnerships, co ownerships or joint ventures to the partners, Vendors or Subsidiaries of the Vendors or joint venture participants of such partnerships or joint ventures).

“Properties” has the meaning set forth in the first recital to the Asset Management Agreement. If Dundee REIT Disposes of one or more of the Properties other than to an affiliate(s) of Dundee REIT, such Property or Properties

shall be deemed to be deleted from the definition of “Properties” effective on the date of such sale. If Dundee REIT purchases, directly or indirectly, a property and pays an Acquisition Fee in respect thereof pursuant to the Asset Management Agreement, such property shall be deemed to be added to the definition of “Properties” effective on the date of such purchase and shall be a Property for all purposes of the Asset Management Agreement as and from such date.

“**Properties General Partner**” means the general partner of Dundee Properties LP, Dundee Properties (GP) Inc., a corporation incorporated under the laws of the Province of Ontario, and wholly-owned by Dundee REIT.

“**Proposed Agreement**” has the meaning ascribed to that term in “The Purchase Agreement and Related Agreements — Summary of Purchase Agreement — Superior Proposal and Right to Match”.

“**Pro Rata Election**” means an election by a unitholder of Dundee REIT to have the Pro Rata Percentage of its REIT units acquired pursuant to the Redemption and the Transfer.

“**Pro Rata Percentage**” has the meaning ascribed to that term in “Redemption and Transfer of REIT Units — Overview”.

“**Purchase Agreement**” means the purchase agreement dated June 3, 2007 between GE Real Estate and the Vendors, a copy of which has been filed on SEDAR as a “material document” on June 3, 2007.

“**Purchased Assets**” means the assets, properties, securities and undertaking which the Vendors have agreed to sell, and the Purchaser has agreed to purchase pursuant to the Purchase Agreement.

“**Purchaser**” means, prior to any assignment by GE Real Estate to an Affiliate pursuant to the Purchase Agreement, GE Real Estate, and thereafter, each assignee of GE Real Estate pursuant to the Purchase Agreement.

“**Redeeming Unitholder**” has the meaning ascribed to that term in “Certain Canadian Federal Income Tax Considerations”.

“**Redemption**” means the redemption of the Redemption Number of outstanding REIT units by Dundee REIT at a price of \$47.50 cash per unit in accordance with the Declaration of Trust, as amended.

“**Redemption Amount**” has the meaning ascribed to that term in “Redemption and Transfer of REIT Units — The Mechanics of Redemption and Transfer and Procedures for Election”.

“**Redemption Number of Units**” means that number of REIT units equal to the quotient obtained by dividing the actual amount of the Cash Proceeds by \$47.50, and rounding down to the nearest whole unit.

“**Regulation Q-27**” means Regulation Q-27 — Respecting Protection of Minority Securityholders in the Course of Certain Transactions of the Autorité des marchés financiers du Québec, or any successor instrument.

“**Regulatory Approvals**” means those sanctions, rulings, consents, clearances, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under any statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, as set out in Schedule D of the Purchase Agreement.

“**REIT**” means a real estate investment trust.

“**REIT Exception**” means the exception under the SIFT Rules applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments.

“**REIT Exception Transactions**” means any transactions undertaken to permit Dundee REIT to satisfy the conditions of the REIT Exception.

“**REIT Units**” means, collectively, the Units, REIT Units, Series B and the Special Trust Units, but “**REIT units**”, when units is used in lower case type, means, collectively, the Units and REIT Units, Series B.

“**REIT Units, Series A**” means REIT Units, Series A of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT derived from Dundee REIT’s investment in Trust A Units and Trust A Notes.

“**REIT Units, Series B**” means REIT Units, Series B of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT derived from Dundee REIT’s investment in Trust B Units and Trust B Notes.

“Representatives” means the directors, officers, employees, counsel, accountants and other authorized representatives and advisors (including, for greater certainty, any investment banker, lawyer, accountant or environmental consultant) of an entity.

“Required Percentage” has the meaning ascribed to that term in “Redemption and Transfer of REIT Units — Mechanics of Redemption and Transfer and Procedures for Elections”.

“Rule 61-501” means Ontario Securities Commission Rule 61-501 — Insider Bids, Issuer Bids, Business Combination and Related Party Transactions; or any successor instrument.

“Securities Act” means the Securities Act (Ontario), as now in effect and as it may be amended from time to time prior to the Closing Date.

“Securities Laws” mean the Securities Act and all other applicable Canadian securities Laws and the rules and published policies of the TSX.

“Securities Regulatory Authorities” means collectively, the provincial and territorial securities regulatory authorities in the provinces and territories of Canada in which Dundee REIT is a reporting issuer (or the equivalent), and the TSX.

“Side Letter” means the letter agreement dated June 3, 2007 between Dundee Corporation, DRC, Dundee REIT and GE Real Estate which sets out the terms and conditions on which Dundee Corporation and DRC would enter into the Lock-Up Agreement.

“SIFT” means a specified investment flow-through trust or partnership for purposes of the Tax Act.

“SIFT Rules” means the amendments to the Tax Act enacted on June 22, 2007 to modify the tax treatment of certain publicly traded trusts and partnerships that are SIFTs and their beneficiaries and partners.

“Special Resolution” means the special resolution of the unitholders concerning the Transaction and amendments to the Declaration of Trust to be considered at the Meeting, substantially in the form set forth in Appendix A to the Circular.

“Special Trust Units” means the Special Trust Units of Dundee REIT issued to the holders of LP Class B Units, Series 1 providing rights to vote (and only a nominal economic interest) as a unitholder of Dundee REIT, all of which are currently indirectly held by Dundee REIT Corporation.

“Subsidiaries” has the meaning ascribed to that term in the National Instrument 45-106 — Prospectus and Registration Exemptions.

“Superior Proposal” means any bona fide written Acquisition Proposal made by a third party to the Board after the date hereof that has not been solicited, initiated, encouraged, invited or otherwise facilitated by Dundee REIT, directly or indirectly, through any trustee, officer, director, employee, agent or Representative of Dundee REIT and that the Board determines in good faith, that, after consultation with its financial advisors and with outside legal counsel: (a) is reasonably capable of being completed without undue delay having regard to financial, legal, regulatory and other matters, including the Person making the Acquisition Proposal; (b) in respect of which financing, to the extent required, is then fully committed; (c) is not subject to any due diligence conditions; and (d) would, if consummated in accordance with its terms, result in a transaction more favourable to unitholders from a financial point of view (including financing terms, any conditions to the consummation thereof and the time required for consummation) than the transactions contemplated by the Purchase Agreement, including any modification to the Purchase Agreement contemplated by Section 4.4(6) of the Purchase Agreement; provided, however, that for purposes of this definition the references in the definition of Acquisition Proposal to “20%” shall be deemed to be references to “51%”.

“Tax” and **“Taxes”** means all taxes, duties, fees, premiums, assessments, levies and other fees of any kind whatsoever levied by any Governmental Authority or to be paid under any tax laws (including income tax, employment or payroll tax, property tax, corporate tax, land transfer tax, sales tax, goods and services tax, harmonized sales, value-added, excise tax, withholding tax, tax on capital, customs duties and transfer fees), including any interest, penalties or other additions to tax.

“Tax Act” means the Income Tax Act (Canada), R.S.C. 1985, c. 1 (5th Supplement), as amended.

“Termination Fee” means a fee equal to \$55 million.

“Time of Closing” means the time on the Closing Date at which the Closing occurs.

“Transaction” means the sale by Dundee REIT and its Subsidiaries of the Purchased Assets to GE Real Estate and the Redemption and the Transfer, all on the terms and subject to the conditions of the Purchase Agreement.

“Transaction Income, Gains and Recapture” means net income (including recaptured capital cost allowance) and net realized capital gains (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act) of Dundee REIT and its Subsidiaries incurred or realized in connection with the transactions contemplated by the Purchase Agreement.

“Transfer” means the transfer of 3,473,684 outstanding REIT units to GE Real Estate at a price of \$47.50 cash per unit in accordance with the Declaration of Trust, as amended.

“Transfer Agent” means Computershare Trust Company of Canada, and its successors and assigns.

“Trust A” means Dundee REIT Properties Operating Trust A, an open-ended unit trust formed under the laws of the Province of Ontario, all of the units of which are owned by Dundee REIT.

“Trust A Notes” means interest bearing promissory notes of Trust A.

“Trust A Unit” means a trust unit of Trust A, representing an equal undivided beneficial interest in any distributions from Trust A.

“Trust B” means Dundee REIT Properties Operating Trust B, an open-ended unit trust formed under the laws of the Province of Ontario, all of the units of which are owned by Dundee REIT.

“Trust B Notes” means interest bearing promissory notes of Trust B.

“Trust B Unit” means a trust unit of Trust B, representing an equal undivided beneficial interest in any distributions from Trust B.

“Trustees” means the trustees of Dundee REIT.

“TSX” means the Toronto Stock Exchange.

“Unit Election” means an election by a unitholder of Dundee REIT to retain more of its REIT units than it would otherwise retain if it made a Pro Rata Election.

“Unitholder Approval” means the approval of the Special Resolution by at least: (a) two-thirds of the votes cast on the Special Resolution by the unitholders present in person or represented by proxy at the Meeting, and (b) a majority of the votes cast on the Special Resolution by the unitholders (other than votes cast by the “interested unitholders”, as such term is used for purposes of applicable Securities Law) present in person or represented by proxy at the Meeting.

“Unitholders” means holders of Units, but **“unitholders”**, when used in lower case type, refers to all holders of REIT Units.

“Units” means REIT Units, Series A.

“U.S.” or **“United States”** means United States of America.

“U.S. Unitholder” means any unitholder that is not a non-U.S. Unitholder.

“Vendors” means, collectively, Dundee REIT, Trust A, Trust B and Dundee Properties LP.

“Western MAC” means, with respect to Dundee REIT and its Subsidiaries, any fact, change, effect, event, development, occurrence or set of circumstances, that individually or in the aggregate with all other facts, changes, effects, events, developments, occurrences or sets of circumstances, (i) is materially adverse or would reasonably be expected to be materially adverse to the business, affairs, assets, properties operations, results of operations, prospects or condition (financial or otherwise) of the Western Undertaking, taken as a whole; (ii) evidences a set of facts and circumstances that has resulted or would reasonably be expected to result in reputational harm to GE Real Estate or any of its affiliates or the Western Undertaking of such seriousness that a reasonable person in the position of GE Real Estate would not proceed with the Transfer or involves or relates to acts, omissions or other practices for which a Governmental Authority could have a reasonable basis for criminal prosecution or civil enforcement under applicable Law or would reasonably be expected to subject GE Real Estate, any of its Affiliates or the Purchased Assets to material Governmental Damages, (iii) has prevented or materially impaired or would reasonably be expected to prevent or materially impair the ability of Dundee REIT to qualify as a “real estate investment trust” for purposes of the Tax Act immediately after Closing, assuming that the taxation year or fiscal period, as the case may be, of Dundee REIT and each of its Subsidiaries had ended immediately before Closing, that a new one began

at Closing and ended on December 31, 2007, that the transactions described in the Disclosure Letter were undertaken by Dundee REIT and its Subsidiaries immediately before Closing and that no transactions would be undertaken by Dundee REIT or its Subsidiaries after Closing and before January 1, 2008 that would prevent Dundee REIT from so qualifying as a “real estate investment trust”, or has resulted or would reasonably be expected to result in an allocation to the Purchaser of any material amount in respect of the Transaction Income, Gains and Recapture or a material amount of Taxes payable by Dundee REIT or a Subsidiary in respect of the Transaction Income, Gains and Recapture; (iv) has caused or would reasonably be expected to cause Dundee REIT, at any time prior to January 1, 2008, to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department on December 15, 2006, as amended, or has caused or would reasonably be expected to cause the definition of “SIFT trust” to apply to Dundee REIT at any time prior to January 1, 2008 (in each case having regard to transactions, exchanges, conversions, issuances, facts, changes, effects, events, developments, occurrences or set of circumstances that could reasonably be expected to occur, exist or be undertaken by or with respect to Dundee REIT or a Subsidiary prior to January 1, 2008); or (v) would reasonably be expected to prevent or materially impair the ability of Dundee REIT from qualifying as a mutual fund trust for purposes of the Tax Act or as a unit trust under paragraph 108(2)(a) of the Tax Act, in each case other than any fact, change, effect, event, development, occurrence or set of circumstances resulting solely from (1) the announcement of the execution of the Purchase Agreement or the transactions contemplated hereby, (2) the Canadian economy or securities or currency markets in general, (3) changes adversely affecting the mid-sized urban and suburban office and industrial property leasing and management industry in general in Canada, (4) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism, (5) changes in applicable Law or regulations or in Canadian generally accepted accounting principles (other than any Laws relating to Taxes or the interpretation thereof), (6) any natural disaster, (7) any change in the trading prices of the REIT units solely as a result of the matters referred to in clauses (2) through (6), or (8) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions, in the case of each of clauses (2) through (6), to the extent that they do not affect Dundee REIT or its Subsidiaries, taken as a whole, in a disproportionate manner relative to other real estate investment trusts in the relevant geographic areas.

“Western Portfolio” means Dundee REIT’s portfolio of real estate assets located principally Western Canada as described in “The Transaction—Dundee REIT Following the Transaction”.

“Western Undertaking” means the business currently carried on by Dundee Properties LP and its Subsidiaries, excluding the Eastern Undertaking.

TRUSTEES' APPROVAL

The contents of this Circular and the sending thereof to unitholders have been approved by the Board of Trustees.

DATED at Toronto, Ontario, the 13th day of July, 2007.

By Order of the Board of Trustees

A handwritten signature in black ink, appearing to read "MJ Cooper", with a long horizontal flourish extending to the right.

MICHAEL J. COOPER

CONSENT

Consent of Brookfield Financial Real Estate Group Limited

To: The Trustees of Dundee Real Estate Investment Trust

We hereby consent to the reference to our firm name and to our opinion under the headings “Glossary of Terms”, “Summary” and “The Transaction” and the inclusion of the text of our fairness opinion dated June 3, 2007 annexed as Appendix B to the management information circular dated July 13, 2007.

Yours truly,

(signed) BROOKFIELD FINANCIAL REAL ESTATE GROUP
LIMITED

July 13, 2007

CONSENT

Consent of Blackmont Capital Inc.

To: The Trustees of Dundee Real Estate Investment Trust

We hereby consent to the reference to our firm name and to our opinion under the headings “Glossary of Terms”, “Summary” and “The Transaction” and the inclusion of the text of our fairness and valuation opinion dated June 3, 2007 annexed as Appendix C to the management information circular dated July 13, 2007.

Yours truly,

(signed) BLACKMONT CAPITAL INC.

July 13, 2007

CONSENT

Consent of Wilson & Partners LLP

To: The Trustees of Dundee Real Estate Investment Trust

We hereby consent to the reference to our opinion under “Certain Canadian Federal Income Tax Considerations” and to being named in the management information circular dated July 13, 2007.

Yours truly,

(signed) WILSON & PARTNERS LLP

July 13, 2007

APPENDIX A
DUNDEE REAL ESTATE INVESTMENT TRUST
(“Dundee REIT”)
SPECIAL RESOLUTION OF UNITHOLDERS

RECITAL

Capitalized terms used and not defined in this Special Resolution have the respective meanings given to them in the management information circular of Dundee REIT dated July 13, 2007 (the “**Circular**”) with respect to the Special Meeting of Unitholders to be held on August 15, 2007.

RESOLVED AS A SPECIAL RESOLUTION THAT:

Sale of Purchased Assets

1. The sale of the Purchased Assets to GE Real Estate pursuant to and on the terms and subject to the conditions set forth in the Purchase Agreement, as amended, and in the manner contemplated in the Circular, is hereby authorized and approved.

Amendments to Declaration of Trust and Governing Documents to Provide for the Redemption and the Transfer

2. The trustees of Dundee REIT (the “**Trustees**”) are hereby authorized to:
 - (i) approve and make such amendments to the Declaration of Trust as the Trustees consider necessary or desirable to provide for and effect each of the Redemption and the Transfer in the manner contemplated in the Circular; and
 - (ii) approve and authorize such amendments to the Governance Agreement, the Dundee Limited Partnership Agreement, the Exchange and Support Agreement, the Declaration of Trust of Trust A and the Declaration of Trust of Trust B, in each case, as the Trustees consider necessary or desirable to provide for and effect each of the Redemption and the Transfer, in the manner contemplated in the Circular.

Other Amendments to Declaration of Trust and Governing Documents

3. The Trustees are hereby authorized to:
 - (i) approve and make such amendments to the Declaration of Trust as the Trustees consider necessary or desirable to modify or delete any existing provisions and implement any new provisions of the Declaration of Trust to provide for and effect amendments to the Declaration of Trust in substantially the manner described in the Circular under “Amendments to the Declaration of Trust and Other Governing Documents”, including without limitation to modify Dundee Corporation’s existing Board appointment rights and to change the investment guidelines and operating policies of Dundee REIT in the manner so described;
 - (ii) approve and authorize such amendments to the Governance Agreement, the Dundee Limited Partnership Agreement, the Exchange and Support Agreement, the Declaration of Trust of Trust A and the Declaration of Trust of Trust B, in each case, as the Trustees consider necessary or desirable to modify or delete any existing provisions and implement any new provisions of such documents to provide for and effect amendments to such documents in substantially the manner described in the Circular under “Amendments to the Declaration of Trust and Other Governing Documents”, including without limitation to change the investment guidelines or operating policies of Trust A, Trust B and Dundee Properties LP in the manner so described.

General

4. The Trustees are hereby authorized to approve, execute or deliver such further documents, agreements, certificates and instruments and take any and all such further action in connection with the foregoing resolutions, as the Trustees consider necessary or desirable.
5. Any one Trustee or officer of Dundee REIT is authorized and directed, for and on behalf of Dundee REIT, to negotiate, finalize, execute or deliver all documents, agreements, certificates and instruments and take any and all such further action as such Trustee or officer, in his or her sole discretion, deems necessary or desirable in order to give effect to the intent of the foregoing resolutions and the matters authorized thereby, such

determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any such further action.

6. Notwithstanding that this Special Resolution has been passed by the unitholders of Dundee REIT, the Trustees are hereby authorized, without further notice to or approval of the unitholders of Dundee REIT, to determine not to proceed with the transactions or actions contemplated by the foregoing resolutions or revoke this special resolution before it is acted on.

APPENDIX B
BROOKFIELD FINANCIAL FAIRNESS OPINION

Brookfield Financial

Brookfield Financial Real Estate Group
BCE Place, 181 Bay Street, Suite 260
Toronto, Ontario M5J 2T3

Tel (416) 956-5200
Fax (416) 956-5201
www.brookfieldfinancial.com

June 3, 2007

The Board of Trustees of
Dundee Real Estate Investment Trust
State Street Financial Centre
Suite 1600
30 Adelaide Street East
Toronto, Ontario
M5C 3H1

To the Members of the Board of Trustees:

Brookfield Financial Real Estate Group Limited (“Brookfield Financial”, “we” or “us”) understands that:

- (a) Dundee Real Estate Investment Trust (“Dundee” or the “Trust”) and three subsidiary operating entities have entered into a definitive purchase agreement dated June 3rd, 2007 (the “Purchase Agreement”) between Dundee and GE Real Estate Canada (“GE”), where the Trust and such subsidiaries have agreed to sell substantially all of their eastern Canadian properties (the “Eastern Portfolio”) to GE for a total purchase price of \$2.4 billion (the “GE Offer”), which includes the assumption of certain liabilities relating to the Eastern Portfolio, including certain debt of \$0.9B. The purchase price will be subject to a post-closing adjustment based on debt and working capital;
- (b) Dundee will redeem a fixed number (to be determined at closing) of trust units (the “Trust Units”) using the cash consideration received as a result of the sale of the Eastern Portfolio at a price of \$47.50 per unit payable in cash (the “Redemption”). As part of the transaction, GE Real Estate has also agreed, conditional on the closing of the sale of the Eastern Portfolio, among other things, to purchase 3,473,684 issued and outstanding Trust Units for \$47.50 cash per Trust Unit (the “Transfer”) for a total purchase price of \$165 million. Trust Unitholders are expected to have some Trust Units redeemed pursuant to the Redemption (approximately 90%) and some Trust Units purchased pursuant to the Transfer (approximately 10%), and will not be able to elect between these options;
- (c) unitholders of the Trust may pursuant to the Redemption and Transfer elect to tender all, their proportionate percentage, 58%, 50%, 25%, or none of their Trust Units in exchange for \$47.50 cash per unit, subject to proration;
- (d) as part of the transaction, Dundee will ask its unitholders to approve certain changes to the constating documents of the Trust and its subsidiaries, including significant changes to the operating policies and investment guidelines of its operating subsidiary, Dundee Properties Limited Partnership;
- (e) Dundee Realty Corporation intends to enter into an asset management agreement (the “Asset Management Agreement”) with the Trust substantially in the form attached to the Purchase Agreement, as amended, and Dundee Realty Management Corp. intends to enter into a sub administrative services agreement with Dundee Properties Limited Partnership on terms that we have assumed to be reasonable;
- (f) concurrently with the Company’s execution of the Purchase Agreement, unitholders representing 17.6% of the Company’s outstanding units have entered into a lock-up agreement (the “Lock-up Agreement”) pursuant to which they have agreed to vote their units in favour of the sale of assets and related matters; and Dundee Corporation, its affiliates and the Chief Executive Officer of Dundee REIT have agreed to collectively elect to have 58% of their units acquired pursuant to the Redemption and Transfer with the intention that they will own an approximate 18% equity interest in Dundee REIT through their continued ownership of units; and

- (g) the proposed transaction requires the approval of at least 66 $\frac{2}{3}$ % of the votes cast by the Trust's unitholders of record on July 12, 2007 in accordance with the Trust's declaration of trust and the approval of at least a simple majority of the votes cast by the Trust's unitholders (other than unitholders who are parties to the Lock-Up Agreement) in accordance with applicable securities laws;

The transactions described in paragraphs (a), (b) and (c) above are collectively defined herein as the "Transaction", and the consideration, consisting of cash and/or the continued holding of units of the Trust, to be received by unitholders of the Trust, are defined herein as the "Consideration".

We further understand that unitholders of the Trust will continue to be entitled to their regular monthly distributions until the month of closing, and that the Trust's convertible debentures will not be affected by the Transaction.

We also understand that all of the terms and conditions of the Transaction, and related matters, will be described in one or more circulars of the Trust and GE and related documents (the "Circulars"), which will be mailed to unitholders of the Trust.

Engagement of Brookfield Financial

By letter agreement dated March 28, 2007 (the "Engagement Agreement"), the Trust retained Brookfield Financial to act as exclusive financial advisor to the Trust and the Board of Trustees in connection with their review of strategic alternatives to seek to maximize unitholder value. As part of our engagement, we solicited expressions of interest from a number of potential purchasers of the Trust or its business and we assisted the Trust's management and advised the Board of Trustees and Special Committee regarding the relative financial merits of the expressions of interest received by the Trust as part of that process.

Pursuant to the Engagement Agreement, the Trust has requested that we prepare and deliver to the Board of Trustees our written opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration offered to holders of the Trust Units (other than the holders who are parties to the Lock-Up Agreement) pursuant to the Transaction.

The terms of the Engagement Agreement provide that Brookfield Financial is to be paid a fee for its services as financial advisor, including fees on delivery of the Opinion, and fees that are contingent on a change of control that involves a sale of all or substantially all of the Trust or its assets or certain other events. In addition, Brookfield Financial is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Trust in certain circumstances.

Credentials of Brookfield Financial

Brookfield Financial is one of Canada's premier real estate advisory and investment banking firms, with operations in all facets of real estate, including debt and equity financing and mergers and acquisitions. The Opinion expressed herein represents the opinion of Brookfield Financial and the form and content hereof have been approved for release by Brookfield Financial's directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- i) a draft of the Purchase Agreement;
- ii) a draft of the Lock-Up Agreement;
- iii) the annual reports of the Trust to unitholders for the years ended December 31, 2004, 2005, and 2006;
- iv) the interim report of the Trust for the quarter ended March 31, 2007;
- v) the Trust's annual information forms dated March 27, 2006 and March 2, 2007;
- vi) the Trust's management information circulars dated April 5, 2006 and April 9, 2007;
- vii) certain internal financial analyses and projections or forecasts for the Trust that were prepared or provided by management;
- viii) the reported price and trading activity of Trust Units;

- ix) the final short-form prospectus of the Trust dated March 2, 2007 in respect of its offering of \$150.775 million of Trust Units;
- x) the final short-form prospectus of the Trust dated November 29, 2006 in respect of its offering of \$150.015 million of Trust Units;
- xi) the final short-form prospectus of the Trust dated May 23, 2006 in respect of its offering of \$100.036 million of Trust Units;
- xii) the final short-form prospectus of the Trust dated March 27, 2006 in respect of its offering of \$61.050 million of Trust Units;
- xiii) the final short-form prospectus of the Trust dated December 7, 2005 in respect of its offering of \$65.0 million of Trust Units;
- xiv) the final short-form prospectus of the Trust dated March 7, 2005 in respect of its offering of \$100.0 million of Series 2005-1 5.7% convertible unsecured subordinated debentures due March 31, 2015;
- xv) the final short-form prospectus of the Trust dated June 9, 2004 in respect of its offering of \$75.0 million of 6.5% convertible unsecured subordinated debentures due June 30, 2014;
- xvi) the final prospectus of the Trust dated February 5, 2004 in respect of its offering of \$100.03125 million of Trust Units;
- xvii) rent rolls and Argus models that were prepared or provided by management;
- xviii) the Trust's amended and restated declaration of trust dated May 16th, 2006;
- xix) certain publicly available information relating to the business, operations and performance of the Trust and other selected public real estate corporations and real estate investment trusts;
- xx) public data with respect to recent business combinations considered by Brookfield Financial to be of a relevant comparable nature to the Transaction;
- xxi) information, discussions and correspondence with third parties relating to the value maximization process;
- xxii) a certificate signed by two senior officers attesting to the completeness and accuracy of the information provided to Brookfield Financial; and
- xxiii) such other corporate, industry and financial market information, investigations and analyses as Brookfield Financial considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with management regarding the past and current business operations, financial conditions and future prospects of the Trust. We have also participated in discussions with Blackmont Capital Inc., which has also been engaged to provide an opinion to the Special Committee as to the fairness, from a financial point of view, of the Consideration offered to holders of Trust Units pursuant to the Transaction, and with Osler, Hoskin & Harcourt LLP, legal counsel to the Trust, and with the Trust's tax and accounting advisors PWC LLP, in connection with the Transaction.

Assumptions and Limitations

Our Opinion is subject to the assumptions, explanations and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Trust, or any of its affiliates and our Opinion should not be construed as such.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of, all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Trust or Dundee Corporation or affiliates, or management, or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions or representations. Without limiting the foregoing, we have relied upon and assumed the accuracy and fair presentation of the Trust's audited financial statements and the reports of the auditors thereon.

With respect to historical financial data, operating and financial forecasts and budgets provided to us concerning the Trust and relied upon in our analysis, we have assumed (subject to the exercise of our professional judgment) that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management, having regard to the Trust's business, plans, financial condition and prospects.

We have assumed that each of the Trust and its subsidiaries would not at closing have exceeded "normal growth" as interpreted by the federal Department of Finance assuming the Transaction had occurred prior thereto, that the Trust does not and will not hold any security or other interest in any "specified investment flow-through" ("SIFT") trust or partnership for purposes of the Income Tax Act (Canada), and will immediately after closing qualify as a "real estate investment trust" for purposes of such Act.

We have also assumed that all of the representations and warranties contained in the Purchase Agreement are correct as of the date hereof and will be correct as of closing, that the Transaction will be completed in accordance with the terms of the Purchase Agreement and all applicable laws, that the Circular relating to the Transaction will disclose all material facts relating to the Transaction and that the Circulars relating to the Transaction will satisfy all applicable legal requirements. As well, we have assumed, without limitation, that the Trust and its subsidiaries will be in compliance at all times with all loans and have no material undisclosed liabilities (contingent or otherwise) not reflected in the Trust's financial statements, that no material tax liabilities will result from the Transaction or related transactions, that GE will fully satisfy all of its obligations, and that all required consents and regulatory approvals will be obtained on terms not adverse to the Trust or its subsidiaries.

Management has represented to us, in a certificate of two senior officers, dated as at the date hereof, among other things, that the information, data and other materials provided to us by or on behalf of the Trust, including the written information and discussions concerning the Trust referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete, correct and true at the date the Information was provided to us and that, since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

Except as expressly noted above under the heading "Scope of Review", we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its affiliates. We have not attempted to verify independently any of the information concerning the Trust or any of its affiliates.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Transaction.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Trust as they are reflected in the Information and as they were represented to us in our discussions with management. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, capital markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction.

In providing this Opinion, we express no opinion as to the trading price or value of the Trust Units following the announcement or completion of the Transaction.

The Opinion has been provided to the members of the Board of Trustees and the Special Committee for their exclusive use in considering the Transaction and may not be published, used for any other purpose or relied upon by any other person without the express prior written consent of Brookfield Financial. Our opinion is not to be construed as a recommendation to any holder of Trust Units to accept or reject the Transaction or to make any election.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention, or to update the Opinion after today.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration to be received is fair, from a financial point of view, to the holders of Trust Units; however this Opinion does not extend to persons who have executed the Lock-up Agreement.

Yours very truly,

Brookfield Financial Real Estate Group Limited

APPENDIX C
BLACKMONT VALUATIONS AND FAIRNESS OPINION



BLACKMONT
CAPITAL™

Blackmont Capital Inc.
181 Bay Street, Suite 900
Toronto, Ontario, M5J 2T3

June 3, 2007

The Independent Committee of the Board of Directors
Dundee Real Estate Investment Trust
30 Adelaide Street, Suite 1600
Toronto, Ontario, M5C 3H1

To the Independent Committee:

Blackmont Capital Inc. (“Blackmont”), a subsidiary of CI Financial Income Fund, understands that Dundee Real Estate Investment Trust (“Dundee REIT” or the “Trust”) has entered into a definitive agreement dated June 3, 2007 with respect to a transaction (the “Transaction”) with GE Real Estate (“GE”) pursuant to which:

- a) Dundee REIT’s operating subsidiary will sell its portfolio of real estate assets located principally in Ontario, Québec and Newfoundland (the “Eastern Portfolio”) to GE for a total purchase price of approximately \$2.4 billion, including the assumption of certain liabilities by GE relating to the Eastern Portfolio;
- b) GE has also agreed to purchase 3,473,684 outstanding units of Dundee REIT for \$47.50 cash per unit, for a total purchase price of \$165 million. This would result in GE owning an approximate 18% equity interest in Dundee REIT; and
- c) Based on the estimated cash proceeds from the sale of the Eastern Portfolio of approximately \$1.523 billion and GE’s investment of \$165 million, it is expected that approximately 35,542,294 outstanding units in the aggregate will be either redeemed by Dundee REIT or transferred to GE which represents a return of approximately \$1.7 billion of capital to unitholders.

The terms of the Transaction will be more fully described in a management information circular (the “Circular”), which will be mailed to holders of Dundee REIT Series A units (“Units” and “Unitholders” respectively).

Blackmont also understands that a committee of independent members (the “Independent Committee”) of the board of trustees (the “Board”) of the Trust has been constituted to consider the Transaction and to make recommendations thereon to the Board. The Independent Committee has retained Blackmont to provide advice and assistance in evaluating the Transaction, by preparing and delivering to the Independent Committee: a) formal valuations of (i) the Units (the “Dundee REIT Valuation”) and (ii) the Units of Dundee REIT Post-Transaction (the “Dundee REIT Post-Transaction Valuation”) (collectively, the “Valuations”) in accordance with the requirements of Rule 61-501 of the Ontario Securities Commission and Quebec Securities Commission Policy Q-27; and b) Blackmont’s opinion (the “Fairness Opinion”) as to the fairness of the consideration under the Transaction, from a financial point of view, to the holders of Units not subject to Lock-up Agreements (the “Minority Unitholders”).

Engagement

The Independent Committee initially contacted Blackmont regarding a potential advisory assignment in May 2007, and Blackmont was formally engaged by the Independent Committee through an agreement between the Trust and Blackmont (the “Engagement Agreement”) dated May 25, 2007. The terms of the Engagement Agreement provide that Blackmont is to be paid a fee for its services under the Engagement Agreement. The compensation to

Blackmont under the Engagement Agreement does not depend in whole or in part on the conclusions reached in the Valuations or the Fairness Opinion or the successful outcome of the Transaction. In addition, Blackmont is to be reimbursed for its reasonable out-of-pocket expenses and the Trust also agreed to indemnify Blackmont in respect to certain liabilities that might arise out of the engagement. Blackmont consents to the inclusion of the Valuations and the Fairness Opinion in their entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Trust with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither Blackmont, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario)) of the Trust and/or GE, or any of their respective associates or affiliates. Blackmont has not participated in any financing involving the Trust and/or GE or any of their respective associates or affiliates, within the past two years. In 2006, Blackmont was retained to act as the financial advisor to the Independent Committee of Dundee REIT and to provide a fairness opinion on the internalization of the property management of Dundee REIT. The transaction involved Dundee Properties Limited Partnership (“DPLP”) purchasing the interest in Dundee Management Limited Partnership (Ontario) (“DMLP”) not already owned by DPLP and which was owned by Dundee Realty Corporation (“DRC”). There are no understandings, agreements or commitments between Blackmont, the Trust, GE or any of their respective associates or affiliates with respect to any future business dealings. Blackmont may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Trust and/or GE or any of their respective associates or affiliates.

Blackmont acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Trust and GE or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Blackmont conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Trust, GE or the Transaction.

Credentials of Blackmont Capital Inc.

Blackmont is one of Canada’s largest independent investment banking firms, with operations in all facets of corporate finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Valuations and the Fairness Opinion expressed herein represent the opinions of Blackmont and the form and content herein have been approved for release by a committee of its managing directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with our Valuations and Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft of the Circular (the “Draft Circular”);
2. the most recent draft of the Lock-Up Agreement (the “Lock-Up Agreement”);
3. the most recent draft of the Purchase Agreement (the “Purchase Agreement”);
4. the most recent draft of the Disclosure Letter (the “Disclosure Letter”);
5. the most recent draft of the Asset Management Agreement;
6. the most recent draft of the Declaration of Trust of Dundee REIT;
7. the unaudited interim reports of the Trust for the quarters ended March 31, 2007, June 30, 2006 and September 30, 2006;
8. annual reports of the Trust for the years ended December 31, 2004, 2005 and 2006;
9. management information circulars of the Trust dated April 5, 2006 and April 9, 2007;
10. annual information forms of the Trust dated March 27, 2006 and March 2, 2007;
11. rent rolls and Argus models that were prepared or provided by management;
12. unaudited property cash flows for the Trust for the year ended December 31, 2006;

13. the unaudited internal management budget of the Trust on a consolidated basis and by property for the year ending December 31, 2007;
14. unaudited projected financial statements for the Trust on a consolidated basis and segmented by business unit, prepared by management of the Trust, for each of the three years ending December 31, 2006;
15. unaudited projected cash flows for the Trust's income producing properties, prepared by management of the Trust, for each of the three years ending December 31, 2006;
16. unaudited projected cash flows for the Trust's income producing properties, prepared by management of the Trust, for each of the eleven years ending June 31, 2018;
17. projected cash flows for the Trust's development projects prepared by management of the Trust;
18. unaudited projected cash flows for the Dundee REIT Post-Transaction's income producing properties, prepared by management of the Trust, for each of the eleven years ending June 31, 2018;
19. independent appraisals of certain of the Trust's properties;
20. various co-ownership agreements relating to the properties owned by the Trust;
21. the final short-form prospectus of the Trust dated March 2, 2007 in respect of its offering of \$150.775 million of Trust Units;
22. the final short-form prospectus of the Trust dated November 29, 2006 in respect of its offering of \$150.015 million of Trust Units;
23. the final short-form prospectus of the Trust dated May 23, 2006 in respect of its offering of \$100.036 million of Trust Units;
24. the final short-form prospectus of the Trust dated March 27, 2006 in respect of its offering of \$61.050 million of Trust Units;
25. the final short-form prospectus of the Trust dated December 7, 2005 in respect of its offering of \$65.0 million of Trust Units;
26. the final short-form prospectus of the Trust dated March 7, 2005 in respect of its offering of \$100.0 million of Series 2005-1 5.7% convertible unsecured subordinated debentures due March 31, 2015;
27. the final short-form prospectus of the Trust dated June 9, 2004 in respect of its offering of \$75.0 million of 6.5% convertible unsecured subordinated debentures due June 30, 2014;
28. the final prospectus of the Trust dated February 5, 2004 in respect of its offering of \$100.0 million of Trust Units;
29. discussions with management regarding the past and current business operations, financial conditions and future prospects of the Trust;
30. discussions with the Trust's tax advisors and legal counsel and a review of the legal opinion of Wilson and Partners LLP, a law firm affiliated with PWC LLP, an exhibit to be delivered on the closing of the Transaction;
31. site visits to certain of the Trust's properties;
32. public information relating to the business, operations, financial performance and stock trading history of the Trust and other selected public entities considered by us to be relevant;
33. public information with respect to other transactions of a comparable nature considered by us to be relevant;
34. public information regarding the real estate industry generally, and commercial property and land development entities in particular;
35. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of the Trust as to the completeness and accuracy of the information upon which the Valuations and Fairness Opinion are based; and

36. such other corporate, industry and financial market information, investigations and analyses as Blackmont considered necessary or appropriate in the circumstances.

In addition, Blackmont has participated in discussions with management regarding the past and current business operations, financial conditions and future prospects of the Trust. Blackmont has also participated in discussions with Brookfield Financial Real Estate Group Limited (“Brookfield”), which has also been engaged to provide an opinion to Dundee REIT as to the fairness, from a financial point of view, of the Consideration offered to Unitholders pursuant to the Transaction, with Osler, Hoskin & Harcourt, LLP, legal counsel to the Trust, with Fasken Martineau DuMoulin LLP, counsel to the Independent Committee and with the Trust’s tax and accounting advisors PWC LLP, in connection with the Transaction.

The Valuations have been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Dealers Association of Canada but the Association has not been involved in the preparation or review of this valuation.

Prior Valuations

The Trust has represented to Blackmont that there have not been any prior valuations (as defined in Ontario Securities Commission Rule 61-501) of the Trust or its material assets or its securities in the past twenty-four month period.

Assumptions and Limitations

Blackmont has relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Trust or their respective affiliates or associates or otherwise obtained by us pursuant to the Engagement Agreement, and our Fairness Opinion and Valuations are conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. Without limiting the foregoing, Blackmont has not met with the independent auditors of Dundee REIT and we have relied upon and assumed the accuracy and fair presentation of Dundee REIT’s audited financial statements and the reports of the auditors thereon.

In preparing the Valuations and Fairness Opinion, Blackmont has made several assumptions, including that all of the representations and warranties required to implement the Transaction will be satisfied and that the disclosure provided or incorporated by reference in the Draft Circular with respect to the Trust, its subsidiaries and affiliates and the Transaction is accurate in all material respects and complies with applicable legal requirements in particular but without limitation, Blackmont has assumed the accuracy of the information and opinions contained under the heading “Certain Canadian Federal Income Tax Considerations” and the assumptions regarding the future tax status of Dundee REIT.

The Trust has represented to Blackmont in a certificate delivered as of the date hereof, among other things, that: (i) the information taken as a whole provided (a) orally by an officer of either the Trust in the presence of, or designated for such purpose by, such senior officers of the Trust or (b) in writing by the Trust or any of its subsidiaries or their respective agents to Blackmont for the purpose of preparing the Valuations and Fairness Opinion was, as of the date of such information complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact in respect of the Trust, its subsidiaries or the Transaction and did not and does not omit to state a material fact in respect of the Trust, its subsidiaries or the Transaction necessary to make the information or any statement contained therein not misleading in light of the circumstances under which the information was provided; and that (ii) since the respective dates of the information, except as disclosed in writing to Blackmont, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Trust or any of its subsidiaries and there has been no material change relating to the information which is of a nature to render the Information, taken as a whole, incomplete, untrue or incorrect in any material respect.

The Valuations and Fairness Opinion are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Trust and its subsidiaries and affiliates, as they were reflected in the information and as they have been represented to Blackmont in discussions with management of the Trust. In its analyses and in preparing the

Valuations and Fairness Opinion, Blackmont made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Blackmont or any party involved in the Transaction.

The Valuations and Fairness Opinion have been provided for the use of the Independent Committee and the Board and may not be used by any other person or relied upon by any other person other than the Independent Committee and the Board without the express prior written consent of Blackmont. The Valuations and Fairness Opinion are given as of the date hereof and Blackmont disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuations or Fairness Opinion which may come or be brought to Blackmont's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Valuations or Fairness Opinion after the date hereof, Blackmont reserves the right to change, modify or withdraw the Valuations or Fairness Opinion.

Blackmont believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuations or Fairness Opinion. The preparation of a valuation or a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Neither the Valuations nor the Fairness Opinion are to be construed as a recommendation to any holder of Units as to whether to vote in favour of the Transaction. Furthermore, Blackmont is not a legal, tax or accounting expert and expresses no opinion concerning any legal, tax or accounting matters concerning the Transaction.

In providing the Valuations and Fairness Opinion, Blackmont expresses no opinion as to the trading price or value of the Units following the announcement or completion of the Transaction.

Overview of Dundee REIT

Dundee REIT is an unincorporated, open-ended real estate investment trust formed in 2003. Its core focus is on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. As at March 31, 2007, Dundee REIT was one of Canada's largest office and industrial landlords with over 19 million sq. ft. of assets. For the three months ended March 31, 2007, 79% percent of the Trust's net operating income ("NOI") was derived from office assets comprised of mid-sized "A" and "B" class buildings that are in central business districts and suburban locations. The remaining 21% of the Trust's NOI was derived from industrial properties, primarily comprised of multi-tenant properties. As at March 31, 2007, the geographic distribution of Dundee REIT's rental properties by net book value was 34% in Alberta, 31% in the Toronto region, 15% in Québec, 11% in the National Capital Region and 9% in Western Canada. Since March 31, 2007, Dundee REIT has completed additional acquisitions totaling over 2.1 million sq. ft in Ontario.

Definition of Fair Market Value

For purposes of the Valuations, fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. Blackmont has not made any downward adjustment to the value of the Units or the units of Dundee REIT Post-Transaction to reflect their liquidity, the effect of the Transaction or the fact that the Units held by Minority Unitholders not subject to the Lock-up Agreement do not form part of a controlling interest.

In preparing the Valuations, Blackmont also considered whether any distinctive material benefit would accrue to an interested party as a result of the Transaction. Specifically, Blackmont evaluated whether the potential value that may accrue to DRC under the terms of the proposed Asset Management Agreement would constitute a distinctive material benefit. In Blackmont's professional judgment, it is difficult to quantify the impact of the proposed fee structure of the Asset Management Agreement as a component of the fee stream does not get triggered until a sale occurs.

However, Blackmont reviewed a discounted cash flow ("DCF") analysis relating to the Asset Management Agreement. The DCF approach, which was based on management's assumptions, takes into account the amount, timing and relative certainty of the total fees expected to be generated under the Asset Management Agreement. The DCF approach requires that certain assumptions be made regarding, among other things, future acquisitions, average cap rates, loan to values, debt costs and discount rates. Blackmont reviewed the assumptions in management's

projections and determined that material adjustments were not necessary and that such assumptions were reasonable under the circumstances. Blackmont concluded that any operational or financial benefit that may accrue to DRC as a result of the proposed Asset Management Agreement and the related severance costs savings to the Trust associated with DRC executing the Asset Management Agreement would not be a material factor in the assessment of the overall fairness of the consideration under the Transaction from a financial point of view to Minority Unitholders.

Dundee REIT Valuation

Valuation Methods

Blackmont's primary valuation methodology in preparing the Dundee REIT Valuation was a net asset value ("NAV") approach. As a test of the NAV range obtained, Blackmont also considered precedent transactions involving public real estate entities with significant income producing properties, including an analysis of the implied capitalization rates ("cap rates") of NOI and multiples of adjusted funds from operations ("AFFO"). Given the immateriality and non-recurring nature of the cash flow from the Trust's land development activities, as well as the lack of precedent transactions involving publicly traded entities that are primarily focused on land development, Blackmont did not rely on the precedent transactions approach in valuing Dundee REIT's land development business.

Blackmont also reviewed the trading multiples of comparable public companies involved in the real estate industry, from the perspective of whether a public market value analysis might exceed NAV or precedent transaction values.

Net Asset Value Analysis

The NAV approach ascribes a separate value for each category of asset and liability, utilizing the appropriate methodology in each case. Calculating the market value of Dundee REIT's properties is the starting point in calculating the NAV. The sum of the market value of the properties plus other assets less total liabilities yields the NAV.

There are seven key components to Dundee REIT's NAV:

- i) income producing properties;
- ii) land held for development;
- iii) real estate services business;
- iv) secured and corporate level debt;
- v) other assets and liabilities;
- vi) unsecured debt; and
- vii) other agreements.

Blackmont is of the view that real estate investment trusts are primarily a collection of real estate assets that have been securitized and NAV is based on the premise that the income producing assets and land held for future developments make up the majority of a trust's value. Accordingly, Blackmont's view is that trust units should not trade significantly above or below NAV. In preparing the Dundee REIT Valuation using an NAV methodology, it was our view that asset management does not represent a material portion of the Trust's intrinsic worth. Accordingly, Blackmont did not ascribe value to the asset management function performed by management of the Trust as a component of the Trust's NAV.

In addition, management has assumed that at the time of the Transaction, all unsecured debt, including convertible unsecured subordinated debentures, will be exercised and/or converted which is reflected in the fully diluted units outstanding.

Income Producing Properties

As at March 31, 2007, Dundee REIT's income producing property portfolio consisted of 126 industrial properties, 117 office properties, and 3 redevelopment properties. In addition, Blackmont took into account the acquisitions that have closed subsequent to March 31, 2007 and primarily used a capitalization of NOI approach to value the income producing properties. Ten-year unlevered free cash flow projections for each property were prepared based on projections provided by management of the Trust. Blackmont reviewed the assumptions in

management’s projections and made adjustments where necessary. The forward twelve month NOI used was a basis for valuing the properties, adjusted for portfolio occupancy normalization, as well as straight-line rents, normalized non-recoverable capital expenditures and structural reserves. Appropriate capitalization rates were selected based on precedent market transactions and Blackmont’s knowledge of current real estate pricing parameters. The cap rates used by Blackmont ranged from 6.00% to 6.50%, with an average of 6.25%. The property values resulting from the above analyses were reviewed on the basis of price per square foot and average yield to ensure these measures were also consistent with current market pricing parameters. This analysis resulted in a value for Dundee REIT’s interest in the income producing property portfolio of between \$3.47 billion and \$3.76 billion.

Land Held for Development

Blackmont relied primarily on a discounted cash flow (“DCF”) analysis approach to value Dundee REIT’s land under development. The DCF approach takes into account the amount, timing and relative certainty of projected free cash flows expected to be generated by the Trust’s projects. The DCF approach requires that certain assumptions be made regarding, among other things, future cash flows and discount rates.

The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values. Ten-year pro forma unlevered free cash flow projections for Dundee REIT’s land under development were prepared based on projections provided by management of the Trust. Blackmont reviewed the assumptions in management’s projections and determined that material adjustments were not necessary. Blackmont applied the following ranges of discount rates to the projected unlevered free cash flows from Dundee REIT’s land under development activities:

Discount Rate 8.00% 7.50%

This analysis resulted in a value for Dundee REIT’s land development activities of between \$57.9 million and \$74.3 million.

Real Estate Services Business

Dundee REIT provides property management, leasing and construction, and real estate advisory services to third parties. Management or other fee income generally represents cash flow from short-term contracts and is included as a separate line item. All of the Trust’s real estate services relate to properties that are owned or co-owned by the Trust, with all third party fees being earned from the Trust’s co-owners. Blackmont relied primarily on a forward multiple of earnings before interest, taxes, depreciation and amortization (“EBITDA”) approach, the primary methodology upon which companies in the real estate services business are valued. Appropriate multiples were selected based on the nature of Dundee REIT’s management contracts, precedent transactions and Blackmont’s knowledge of current real estate services pricing parameters. Blackmont applied a multiple range of 5.0x to 6.0x with an average of 5.5x to the projected 2007 EBITDA. This analysis resulted in a value for Dundee REIT’s real estate services business of approximately \$6.8 million to \$8.2 million.

Secured and Corporate Level Debt

The Trust has total secured property level debt of approximately \$1.4 billion and corporate level debt of approximately \$35.8 million. For the fixed rate debt of approximately \$1.4 billion, the weighted average coupon rate is slightly above market with a weighted average term of approximately 8.5 years and a weighted average interest rate of approximately 5.9%. Based on current Government of Canada Bond yields and real estate lending spreads, Blackmont estimates that marking the fixed rate debt to market decreases Dundee REIT’s NAV by approximately \$18.8 million.

Other Assets and Liabilities

Dundee REIT’s other non-real estate assets and liabilities, including working capital, were valued at their book value for purposes of Blackmont’s NAV analysis, except for deferred expenses related to tenant inducements and financing costs which were given no value. Based on discussions with management and a review of the Trust’s audited financial statements, no additional accrual for contingent liabilities was determined necessary for purposes of calculating the Trust’s NAV.

Rent Supplement

When Dundee REIT was created, there was a rent supplement in place to compensate for vacant space at certain of its properties. The terms were allocated between industrial space which expired on June 30, 2006 and office and retail space which expires on June 30, 2008. We have not included the rent supplement in our analysis as it was determined to be immaterial.

Summary

The following table summarizes Blackmont's NAV analysis of Dundee REIT:

	<u>Low</u>	<u>High</u>
	(C\$ millions, except per Unit amounts)	
Income Producing Properties	\$ 3,466.4	\$ 3,755.2
Land Developments	57.9	74.3
Real Estate Services Business.	6.8	8.2
Net Working Capital	<u>(40.5)</u>	<u>(40.5)</u>
Total Assets	3,490.6	3,797.2
Debt on Real Estate Assets & Term Debt	(1,423.0)	(1,423.0)
Mark-to-Market Adjustment	<u>(18.8)</u>	<u>(18.8)</u>
Net Assets	<u>\$ 2,048.8</u>	<u>\$ 2,355.4</u>
FD Units Outstanding (assuming the exercise of options)	51.4	51.4
NAV per Unit	<u>\$ 39.87</u>	<u>\$ 45.83</u>

Sensitivity Analysis

In completing our NAV analysis, Blackmont performed a sensitivity analysis on the cap rates utilized. The results of the sensitivity analysis are reflected in Blackmont's judgment as to the appropriate values resulting from the NAV approach.

Precedent Transactions Analysis

The following table illustrates the premiums paid, multiples of AFFO and cap rates of NOI at which recent transactions have been completed involving Canadian public real estate entities with significant income producing properties.

<u>Announcement Date</u>	<u>Acquiror</u>	<u>Target</u>	<u>Offer Price</u>	<u>Premium to: 1-Day Close</u>	<u>AFFO Multiple⁽¹⁾</u>	<u>Implied Cap Rate⁽²⁾</u>
Real Estate Investment Trust Precedents						
January 14, 2007	Ventas Inc.	Sunrise REIT ⁽³⁾	\$16.50	49%	21.1x	4.3%
February 14, 2007	Homburg Acquisition Inc.	Alexis Nihon REIT	\$18.60	25%	18.1x	6.9%
August 30, 2006	ING Real Estate Canada Trust	Summit REIT	\$30.00	18%	18.8x	6.1%
April 28, 2006	Great-West Life Assurance Company	TGS REIT ⁽⁴⁾	\$ 9.15	9%	20.3x	6.5%
June 01, 2005	Arca Investments Inc. BPO Properties Ltd. CPPIB	O&Y REIT	\$16.25	6%	15.2x	6.5%
March 29, 2004	CAP REIT	ResREIT	\$18.60	11%	16.9x	6.4%
Corporation Precedents						
June 01, 2005	BPO Properties Ltd. CPPIB	O&Y Properties Corporation	\$12.85	30%	24.2x	8.0%
November 12, 2001	Aktion	Goldlist Properties	\$14.50	29%	10.2x	11.1%
August 20, 2001	OMERS	Oxford Properties	\$23.75	25%	12.2x	8.6%
January 12, 2001	SITQ Immobilier	Bentall Corporation	\$20.00	9%	10.4x	8.0%
July 21, 2000	Cadim	Acanthus Real Estate	\$ 9.40	9%	NA	9.7%
May 25, 2000	Ivanhoe	Cambridge Shopping Centres	\$12.50	21%	NA	9.7%
U.S. Precedents⁽⁵⁾						
November 19, 2006	Blackstone Group, LP	Equity Office Properties Trust	\$55.50	24%	47.0x	5.5%
December 21, 2005	GE Real Estate	Arden Realty Inc.	\$45.25	8%	26.5x	5.7%
Average — REITs				20%	18.4x	6.1%
Median — REITs				14%	18.4x	6.4%

(1) AFFO multiple based on consensus analyst current year forecasts at the time of announcement

(2) Implied cap rate — equal to the NOI as calculated by either (i) last quarter annualized NOI for entities owning primarily office and residential assets or (ii) latest twelve months (“LTM”) for entities owning primarily retail assets, divided by transaction enterprise value

(3) Implied Cap rate on a forward looking NOI is equal to 6.1%, which is consistent with consensus research

(4) USD to CAD exchange rate is the average for Q4 2005 = 1.17389

(5) All figures in USD

The value of the consideration per Unit under the Transaction of \$47.50 represents a premium of 18.9% over the closing price of the Trust’s Units on the TSX on June 1, 2007 and an 18.7% premium over the Unit’s 30-day volume weighted average price prior to the Announcement. These premiums are within the range of average premiums for similar transactions involving REITs over the past five years.

In selecting appropriate AFFO multiples to apply to Dundee REIT, Blackmont considered the characteristics of the entities involved in the above transactions including, among other things, the size, quality, location and mix of assets. Several of the precedent transactions involved entities whose properties were primarily in a single asset class, location or asset class that is distinct from Dundee REIT. Based upon the foregoing, Blackmont considers appropriate ranges of 2007E AFFO multiples for Dundee REIT to be 18.0x to 20.0x. This analysis implies values per Unit for Dundee REIT as follows:

2007E AFFO ⁽¹⁾	\$2.25 per Unit
Multiple	18.0x 20.0x
Implied Value per Unit	\$40.50 \$45.00

(1) Blackmont Research Estimates

Valuation Conclusion

Based upon and subject to the foregoing, Blackmont is of the opinion that, as of the date hereof, the fair market value of the Units is in the range of \$40.00 to \$45.00 per Unit.

Overview of Dundee REIT Post-Transaction

Dundee REIT Post-Transaction will continue to be an unincorporated, open-ended real estate investment trust. Its core focus will be to own, acquire, lease and property manage mid-sized urban and suburban office and industrial properties in Canada with an initial focus in western Canada, primarily west of the province of Saskatchewan. Dundee REIT Post-Transaction will own over 5.8 million sq. ft. of office and industrial assets located in Alberta, British Columbia, Saskatchewan and the Northwest Territories. Approximately 79% of the Trust's owned gross leasable area will be derived from office and industrial buildings that are located in Alberta.

Dundee REIT Post-Transaction Valuation

Valuation Methods

In preparing the Dundee REIT Post-Transaction Valuation, Blackmont determined that the appropriate approach was to use the expected market trading value of the Units after an appropriate period to allow for recycling of the Units following completion of the Transaction. Under the Transaction, Unitholders may be receiving minority interests in Dundee REIT and may not be able to effect a sale of 100% of Dundee REIT. Blackmont also considered an NAV analysis of Dundee REIT Post-Transaction primarily as a comparison to expected market trading values.

In assessing the expected market trading value of the Units, Blackmont reviewed publicly traded property trusts and corporations in the Canadian equity market, as illustrated in the following table.

Comparables Analysis

(C\$ millions)	Unit Price 06/01/07	Market Cap (mm) ⁽¹⁾	Total Cap (mm)	D/GBV	P/FFO		P/AFFO		Current Yield ⁽³⁾	Western Canada Focus ⁽⁴⁾
					2007E ⁽²⁾	2008E ⁽²⁾	2007E ⁽²⁾	2008E ⁽²⁾		
Riocan REIT	\$25.92	\$5,392.5	\$8,321.9	54.9%	17.5x	17.3x	19.3x	18.8x	5.1%	15.7%
H&R REIT	\$24.25	\$3,249.3	\$6,399.9	61.8%	13.7x	13.8x	16.8x	16.6x	5.7%	15.3%
Boardwalk REIT	\$45.15	\$2,547.0	\$4,228.1	61.2%	22.4x	18.4x	26.6x	21.3x	3.5%	69.0%
CREIT	\$30.25	\$1,749.4	\$2,782.5	54.5%	14.7x	14.0x	16.9x	15.4x	4.3%	42.1%
Primaris REIT	\$18.99	\$1,110.8	\$1,831.1	47.7%	13.0x	12.4x	16.0x	14.7x	6.2%	45.0%
Morguard REIT	\$14.91	\$ 880.5	\$1,646.0	61.1%	13.4x	13.4x	16.8x	16.4x	6.0%	35.4%
Cominar REIT	\$23.41	\$ 873.8	\$1,303.9	47.3%	14.1x	13.5x	17.1x	15.8x	5.4%	0.0%
Allied Properties REIT	\$23.00	\$ 575.9	\$ 870.8	50.7%	13.6x	12.8x	15.8x	14.8x	5.5%	0.0%
Artis REIT	\$17.42	\$ 379.7	\$ 794.1	56.8%	13.2x	12.1x	15.8x	14.2x	6.0%	82.0%
Mainstreet Equity Corp.	\$17.69	\$ 189.7	\$ 451.8	43.0%	28.5x	18.0x	34.0x	20.5x	0.0%	85.2%
Overall Average				53.9%	16.4x	14.6x	19.5x	16.9x	4.8%	39.0%
Average Excluding High and Low					15.3x	14.4x	18.2x	16.6x	5.2%	38.1%

Notes

- (1) Includes exchangeable units
- (2) Forecast financial information is based on most recent Blackmont research estimates, except for Allied Properties REIT, Artis REIT, Calloway REIT, and Mainstreet Equity which are based on third party consensus estimates
- (3) Current Yield is calculated by annualizing the most recent indicated distribution per unit
- (4) Western Canada Focus are properties west of Saskatchewan, and are a % of GLA other than Calloway, Mainstreet and Primaris, which is a % of rental revenue and CREIT, which is a % of book value, and CHIP REIT, which is a % of total rooms

Blackmont considered the characteristics of the publicly traded property trusts and corporations listed above including, among other things, the size, revenue growth prospects, quality, property and asset management arrangements, location and mix of assets, market capitalization and the following in the capital markets, forward trading multiples of AFFO, current yields, payout ratios based on AFFO, tax deferral of distributions, leverage, ownership and governance. Based on the foregoing, Blackmont concluded that appropriate ranges of normalized AFFO multiples for Dundee REIT Post-Transaction to be between 17.0x to 19.0x 2008E AFFO. Blackmont believes that such multiples have been adequately adjusted to reflect the terms of the proposed external asset management structure (both as such terms existed on June 3, 2007 and as such terms have subsequently been amended).

In addition, it is Blackmont's view that the appropriate forecast of AFFO should factor in acquisitions net of closing costs and reserves for tenant inducements, leasing commissions and capital expenditures. Blackmont reviewed and relied upon certain internal financial information (financial models, management forecasts and related confidential information) prepared and provided to Blackmont by management and Brookfield concerning the Transaction, including an estimated 2008 AFFO per REIT unit of \$2.45 post-Transaction.

Based on Dundee REIT Post-Transaction’s increased debt capacity, and its relatively lower than average cost of capital, in conjunction with its historical operating and acquisition policies, Blackmont reviewed the assumptions in the forecasts and determined that material adjustments were not necessary. With respect to budgets, forecasts, projections or estimates provided to Blackmont and used in its analyses, Blackmont notes that projecting future results is subject to uncertainty. Blackmont has assumed, however, that such budgets, financial forecasts, projections and estimates were reasonably prepared on bases reflecting the best currently available estimates and judgment of Dundee REIT and are (or were at the time and continue to be) reasonable in the circumstances.

The ranges of AFFO multiples imply market trading values per Unit as follows:

2008E AFFO ⁽¹⁾	\$2.45 per Unit	
2008 Multiple	17.0x	19.0x
<u>Implied Value per Unit</u>	\$41.65	\$46.55

(1) Management and Brookfield Estimates

Blackmont also considered an NAV analysis of Dundee REIT Post-Transaction primarily as a comparison to expected market trading values and concluded that, consistent with most publicly traded commercial real estate investment trusts in the Canadian equity market, the expected market trading value of the Units would be approximately equal to the NAV of the Units using a range of cap rates between 5.35% and 5.85%, with an average cap rate range of 5.60%. Given that Dundee REIT Post-Transaction’s portfolio of office and industrial properties are concentrated in high growth areas of Western Canada, we believe a lower cap rate and higher relative valuation vis-à-vis Dundee REIT’s current portfolio is justified. In completing our NAV analysis, Blackmont performed a sensitivity analysis on the cap rates utilized. The results of the sensitivity analyses are reflected in our judgment as to the appropriate values resulting from the NAV approach. Using a range of cap rates between 5.35% and 5.85%, the resulting NAV per Unit ranges between \$40.87 and \$47.39.

Valuation Conclusion

Based upon and subject to the foregoing, Blackmont is of the opinion that, as of the date hereof, the fair market value of Dundee REIT Post-Transaction Units is in the range of \$42.00 to \$47.00 per Unit.

Fairness Opinion

Factors Considered

In considering the fairness of the consideration under the Transaction from a financial point of view to the Minority Unitholders not subject to the Lock-up Agreement, Blackmont viewed the Transaction as a pro rata distribution of the Eastern Portfolio, by means of a redemption for Units of Dundee REIT (or units of Dundee Properties LP that are exchangeable for units of Dundee REIT) to all holders of Units, and a Minority Unitholders’ interest in Dundee REIT Post-Transaction. As a result, Blackmont principally considered and relied upon the following:

- i) a comparison of the range of values of the Units under the Dundee REIT Valuation prior to the announcement (the “Announcement”) on Monday June 4, 2007, that the Trust was considering the Transaction to the redemption price of \$47.50 per Unit; and
- ii) a comparison of the range of values of the Units of Dundee REIT Post-Transaction to the range of values of the Units under the Dundee REIT Valuation.

In Blackmont’s opinion, both of these tests must be met in order for the consideration under the Transaction to be fair from a financial point of view to the Minority Unitholders not subject to the Lock-up Agreement.

In evaluating the fairness of the consideration under the Transaction, Blackmont also considered a number of other factors, including the following:

- The Transaction resulted from a confidential auction process and Blackmont was granted full access to the details and documentation related to the process. Our understanding is that the terms of the GE’s offer was financially superior to the other expressions of interest received;
- The Transaction represents a premium of 18.9% over the closing price of the Units on the TSX on June 1, 2007.

- The remaining portfolio will initially focus exclusively on Western Canada which should provide the Trust with much higher growth potential and increased cash flows to Unitholders;
- Management expects the restructuring to provide Dundee REIT Post-Transaction with a reduced cost of capital which should allow the Trust to compete more effectively with financial institutions and private equity investors for acquisitions;
- With a smaller portfolio of assets, the ability to grow funds from operations (“FFO”) and AFFO is more pronounced;
- Dundee Corporation and the management of DRC intend to continue holding an 18% interest in Dundee REIT and GE will be a sponsor after its acquisition of \$165 million of Units at \$47.50 per unit which will also give GE an 18% equity interest in Dundee REIT Post-Transaction; and
- Management is proposing to remove all debt restrictions in a revised declaration of trust which should enable Dundee REIT Post-Transaction to become more flexible.

Fairness Conclusion

Based upon and subject to the foregoing, Blackmont is of the opinion that, as of the date hereof, the consideration under the Transaction is fair from a financial point of view to the Minority Unitholders.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Dealers Association of Canada but the Association has not been involved in the preparation or review of this fairness opinion.

Yours very truly,

Blackmont Capital Inc.

**APPENDIX D
WESTERN PORTFOLIO**

Office Rental Properties

The table below sets forth information concerning the office properties in the Western Portfolio and the name of the significant tenants occupying each property (as determined by whether those tenants occupy over 20,000 square feet of gross leasable area on a 100% basis or, if there are no such tenants, the largest tenant measured by gross leasable area occupied). The name of each tenant referred to below may not be the name of the legal entity which is a party to the relevant lease. All references to “square foot” or “square feet” refer to square foot or square feet of gross leasable area.

<u>Office Property</u>	<u>Ownership</u>	<u>Total GLA in Square Feet</u>	<u>Year Built/ Renovated</u>	<u>Year Acquired</u>	<u>Occupied/ Committed as at March 31, 2007</u>	<u>Significant Tenants</u>
Telus Tower, Calgary	50%	703,642	1983	2003	99.8%	Telus; Government of Alberta; SNC Lavalin; Bantrel; Norwest Corporation
840-7th Avenue SW, Calgary	100%	260,164	1979/2001	2006	100.0%	Hatch Ltd.; Critical Control Solutions
McFarlane Tower, Calgary	100%	236,257	1979/2003	2006	97.7%	Alberta Infrastructure; Tusk Energy; Saxon Energy Solutions
Life Plaza, Calgary	100%	236,257	1980/1992	2007	98.5%	Ashton Jenkins Mann; MEG Energy Corp.
Airport Corporate Centre, Calgary	100%	145,038	2000	2007	100.0%	Government of Canada; Calgary Health Region; WestJet
Franklin Atrium, Calgary	100%	142,549	1981	2006	94.0%	Care Factor Computer Services, Guest-Tek
Roslyn Building, Calgary	100%	132,186	1966/2003	2001	100.0%	Ensign Resource Service Group
Atrium I, Calgary	100%	109,847	1978	2007	98.9%	Gemini Corp.
Atrium II, Calgary	100%	109,595	1979	2007	100.0%	Gemini Corp.
Joffre Place, Calgary	100%	104,647	1980	2005	100.0%	Wawanesa Mutual Insurance
Dominion Centre, Calgary	100%	98,597	1979	2007		AMEC Americas Ltd. Energy
2891 Sunridge Way, Calgary	100%	87,368	2001	2006	100.0%	Yellow Pages
Kensington House, Calgary	100%	77,279	1982/2002-2003	1998	100.0%	IBI Leaseholds
AltaLink Place, Calgary	100%	76,755	1979/2002	2006	100.0%	SNC Lavalin
ACC Centre, Calgary	100%	64,897	1998	2005	100.0%	Alberta Computer & Cable
2175 29th Street NE, Calgary	100%	58,001	2000	2004	100.0%	Mentor Engineering
2256 29th Street NE, Calgary	100%	57,955	1998	2004	100.0%	Eaton Yale
2121 29th Street NE, Calgary	100%	57,050	2000	2004	100.0%	Lifemark Health Management Inc.

<u>Office Property</u>	<u>Ownership</u>	<u>Total GLA in Square Feet</u>	<u>Year Built/ Renovated</u>	<u>Year Acquired</u>	<u>Occupied/ Committed as at March 31, 2007</u>	<u>Significant Tenants</u>
Mount Royal Place, Calgary	100%	57,010	1979/2004	2006	100.0%	First Calgary
Franklin Building, Calgary	100%	50,577	1978/2001	2006	100.0%	Telus Communications
2886 Sunridge Way NE, Calgary	100%	44,230	2001	2004	100.0%	Precision Drilling
Geo-X Building, Calgary	100%	36,428	2000	2004	100.0%	Geo-X
3250 Sunridge Way NE, Calgary	100%	27,180	2000	2004	100.0%	Royal Bank Action Direct
3030 Sunridge Way NE, Calgary	100%	26,894	2000	2004	100.0%	Sure Northern Energy Ltd.
Total Alberta Office		3,000,403			99.3%	
Station Tower, Surrey	100%	213,978	1994	1998	97.5%	Government of British Columbia; Government of Canada: Fraser Health Authority
4400 Dominion Street, Burnaby	100%	91,039	1977/2000	2007	90.0%	Keystone Environmental Ltd.
Queen's Court, New Westminster, B.C.	100%	85,042	1981	2007	87.5%	Government of British Columbia
Sherwood Place, Regina	100%	181,441	1992/2003	2006	100.0%	Conexus Credit Union, Co- operators Life Insurance, CGI
Victoria Tower, Regina	100%	144,165	1976	2006	100.0%	Saskatchewan Property Management
Princeton Tower, Saskatoon	100%	131,707	1988	2006	81.3%	HMTQ
Preston Centre, Saskatoon	100%	61,810	1988/1998/2003	1996	100%	UMA Engineering
Scotia Centre, Yellowknife	100%	101,027	1991	2006	97.6%	Commissioner of NWT
Precambrian Building, Yellowknife	100%	87,484	1976	2006	90.2%	PWGSC
Northwest Tower, Yellowknife	100%	85,036	1991	2006	99.7%	Municipal and Community Affairs; NorthWestel
Bellanca Building, Yellowknife	100%	52,285	1973/1996	2006	100.0%	Department of Indian and Northern Affairs
Total Western Canada Office⁽¹⁾		1,235,014			95.1%	
Redevelopment property						
Gallery Building, Yellowknife	100%	12,960	1970			
Total Office		4,248,377			97.9%	

(1) Excludes redevelopment properties

Industrial Rental Properties

The table below sets forth information concerning the industrial properties in the Western Portfolio and the name of the significant tenants occupying each property (as determined by whether those tenants occupy over 20,000 square feet of gross leasable area on a 100% basis or, if there are no such tenants, the largest tenant measured by gross leasable area occupied). The name of each tenant referred to below may not be the name of the legal entity, which is a party to the relevant lease. All references to “square foot” or “square feet” refer to square foot or square feet of gross leasable area.

<u>Industrial Property</u>	<u>Ownership</u>	<u>Total GLA in Square Feet</u>	<u>Year Built/ Renovated</u>	<u>Year Acquired</u>	<u>Occupied/ Committed as at March 31, 2007</u>	<u>Significant Tenants</u>
7102-7220 Barlow Trail SE, Calgary	100%	222,570	1979	1998	100.0%	Magnum Designs; Ecco Heating Products; Sea NG Management Corp.
15303 – 128th Avenue, Edmonton	100%	178,000	1977/2004	1998	100.0%	Connect Logistics Services Inc.; Highland Moving and Storage
Alberta Park, Edmonton	100%	130,162	1981	1998	100.0%	McLeod Windows; North American Construction
Bonaventure Centre, Edmonton	100%	113,993	1978	1998	100.0%	Bridge Brand Foods; Brink’s Canada
2705-2737 57th Avenue SE, Calgary	100%	108,800	1977	1998	100.0%	Shanahan’s Alberta Limited
7004-7042 30th Street SE, Calgary	100%	94,208	1976	1998	100.0%	Control Chemical; Arctic Truck Parts & Service
4710-4760 14th Street NE, Calgary	100%	72,780	1976	1998	100.0%	Collega Inc.
Lee Valley Building, Edmonton	100%	72,577	2004	2006	100.0%	Lee Valley Tools Ltd
2777 23rd Avenue NE, Calgary	100%	67,250	2001	2004	100.0%	Sleep Country Inc.
2150 29th Street NE, Calgary	100%	59,386	1999	2004	100.0%	Universal Measurements Solutions
1139-1165 40th Avenue NE, Calgary	100%	57,344	1974	1998	100.0%	Instabox (Alberta) Ltd.
2151 32nd Street NE, Calgary	100%	57,198	1999	2004	100.0%	Coast Wholesale Appliances
501-529 36th Avenue SE, Calgary	100%	57,145	1974	1998	100.0%	Icon Stone and Tile Inc.
4504-4576 14th Street NE, Calgary	100%	57,090	1976	1998	100.0%	McGregor & Thompson Hardware
2928 Sunridge Way NE, Calgary	100%	56,796	2003	2004	100.0%	Eversource International Products
4402-4434 10th Street NE, Calgary	100%	54,000	1974	1998	100.0%	Budrich Industries
2985 23rd Avenue NE, Calgary	100%	53,110	2000	2004	100.0%	Sembiosys Genetics Inc.
Park 19, Edmonton	100%	48,365	1975/1987	2006	100.0%	Boden Fabricating
535-561 36th Avenue SE, Calgary	100%	41,440	1974	1998	100.0%	The Flower Market
Wood Group ESP, Edmonton	100%	30,353	2006	2006	100.0%	Wood Group ESP (Canada) Ltd.
2876 Sunridge Way NE, Calgary	100%	30,000	2000	2004	100.0%	Ametek (Canada) Inc.

<u>Industrial Property</u>	<u>Ownership</u>	<u>Total GLA in Square Feet</u>	<u>Year Built/ Renovated</u>	<u>Year Acquired</u>	<u>Occupied/ Committed as at March 31, 2007</u>	<u>Significant Tenants</u>
6804-6818 30th Street SE, Calgary	100%	30,000	1976	1998	100.0%	Enterprise Robert Thibert
6023-6039 Centre Street South, . . . Calgary	100%	28,800	1973	1998	100.0%	Tac Mobility
4502-4516 10th Street NE, Calgary	100%	28,667	1974	1998	100.0%	Chateau Exteriors Ltd.
6043-6055 Centre Street South, . . . Calgary	100%	25,200	1973	1998	100.0%	Westburne-Wolseley Canada Inc.
530-544 38A Avenue SE, Calgary	100%	24,000	1974	1998	100.0%	Korite Minerals Limited
1135-1149 45th Avenue NE, Calgary	100%	21,538	1974	1998	100.0%	International Furniture Wholesalers
4620-4640 11th Street NE, Calgary	100%	21,097	1971	1998	100.0%	Tele-Mobility Inc. Rapid Brake Centres
102-114 61st Avenue SW, Calgary	100%	18,900	1973	1998	100.0%	Ltd.; Great Northern Bedding Company Ltd.
4001-4019 23rd Street NE, Calgary	100%	15,787	1976	1998	100.0%	Mobile Augers and Research Ltd.
2915-2925 58th Avenue SE, Calgary	100%	15,600	1976	1998	100.0%	East-West Express Inc.
4515-4519 1st Street SE, Calgary	100%	14,340	1969	1998	100.0%	Mars Blinds & Shutters
3503-3521 62nd Avenue SE, Calgary	100%	13,240	1975	1998	100.0%	Eurika-Tech Inc.
4501-4509 1st Street SE, Calgary	100%	13,200	1970	1998	100.0%	Western High Voltage Test Centre Inc.
4523-4529 1st Street SE, Calgary	100%	11,400	1969	1998	100.0%	Chinook Auto Upholstery; 736859 Alberta (CR Techniques)
7122-7126 Barlow Trail SE, Calgary	100%	5,400	1979	1998	100.0%	Thermo Design Insulation; Sunset Fireworks; Comokero Enterprises
7128-7132 Barlow Trail SE, Calgary	100%	5,400	1979	1998	100.0%	Libertas Industries Inc.; Mettler Toledo Inc.; Storm Wrestling Academy
Total Industrial		1,955,136			100.0%	

**APPENDIX E
PURCHASE AGREEMENT**

GENERAL ELECTRIC CAPITAL CANADA

and

DUNDEE REAL ESTATE INVESTMENT TRUST

and

DUNDEE PROPERTIES OPERATING TRUST A

and

DUNDEE PROPERTIES OPERATING TRUST B

and

**DUNDEE PROPERTIES (GP) INC., IN ITS CAPACITY AS SOLE
GENERAL PARTNER OF DUNDEE PROPERTIES LIMITED PARTNERSHIP**

PURCHASE AGREEMENT

June 3, 2007

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PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 3rd day of June, 2007

BETWEEN

GENERAL ELECTRIC CAPITAL CANADA, a general partnership existing under the laws of the Province of Ontario (“**GE**”)

— and —

DUNDEE REAL ESTATE INVESTMENT TRUST, a trust established under the laws of the Province of Ontario (“**Dundee REIT**”)

— and —

DUNDEE PROPERTIES OPERATING TRUST A, a trust established under the laws of the Province of Ontario (“**Trust A**”)

— and —

DUNDEE PROPERTIES OPERATING TRUST B, a trust established under the laws of the Province of Ontario (“**Trust B**”, and together with Trust A, the “**Sub Trusts**”)

— and —

DUNDEE PROPERTIES (GP) INC., a corporation existing under the laws of the Province of Ontario, in its capacity as sole general partner of **DUNDEE PROPERTIES LIMITED PARTNERSHIP**, a limited partnership established under the laws of the Province of Ontario (“**Dundee Properties LP**”).

WHEREAS the Vendors wish to sell, and GE wishes to acquire (through one or more entities existing or to be formed by GE or an Affiliate of GE prior to Closing), the Purchased Assets, on the terms and subject to the conditions set out in this Agreement;

AND WHEREAS Dundee REIT will use the proceeds from the sale of the Purchased Assets to purchase or redeem a portion of its outstanding Units at \$47.50 per Unit;

AND WHEREAS immediately following such purchase or redemption of Units, the Purchaser wishes to purchase 3,473,684 Units from the Unitholders at a price per Unit of \$47.50;

AND WHEREAS the board of trustees of Dundee REIT (the “**Board**”) (with interested Trustees abstaining), based on the unanimous recommendation of the committee of independent trustees of the Board, has unanimously determined, after receiving financial and legal advice, that the consummation of the transactions contemplated by this Agreement is in the best interests of Dundee REIT and the Unitholders;

AND WHEREAS the Board (with interested Trustees abstaining) has unanimously determined to support the transactions contemplated by this Agreement and recommend that the Unitholders vote in favour of the Unitholder Resolution at the Unitholder Meeting, all on the terms and subject to the conditions contained herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties agree and intend to be legally bound as follows:

ARTICLE 1

INTERPRETATION

Section 1.1 Definitions

Capitalized terms used in this Agreement and not otherwise defined in this Agreement have the meanings given to them in Schedule A.

Section 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles, Sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article” or “Section” followed by a number and/or letter refer to the specified Article

or Section of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including the Schedules hereto) and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

Section 1.3 Currency

Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.

Section 1.4 Number, etc.

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

Section 1.5 Date For Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto or of any other event or occurrence contemplated hereby is not a Business Day, such action, event or occurrence shall be required to be taken or occur on the next succeeding Business Day.

Section 1.6 Entire Agreement

This Agreement, the agreements and other documents herein referred to that are to be delivered at the Closing, the Exclusivity Agreement, the Side Letter and the Confidentiality Agreement constitute the entire agreement between the parties pertaining hereto and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto. There are no representations or warranties, express or implied, between the parties other than as expressly set forth herein or therein. For greater certainty, the parties hereto acknowledge and agree that nothing herein will affect any claim that any party may have for a breach of the Exclusivity Agreement that occurred prior to the date hereof.

Section 1.7 Schedules

The following Schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form part hereof:

Schedule A	—	Definitions
Schedule B	—	Representations and Warranties of the Vendors
Schedule C	—	Representations and Warranties of GE and the Purchaser
Schedule D	—	Regulatory Approvals
Schedule E	—	Constating Documents Amendments Term Sheet
Schedule F	—	Form of Asset Management Agreement
Schedule G	—	Administrative Services Agreement Term Sheet

Section 1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles (“GAAP”) and all determinations of an accounting nature required to be made shall be made in a manner consistent with Canadian generally accepted accounting principles, consistently applied.

Section 1.9 Knowledge or Awareness

Each reference herein to the knowledge or awareness of Dundee REIT means, unless otherwise specified, the actual knowledge or awareness, after reasonable enquiry, of Michael J. Cooper, J. Michael Knowlton, Mario Barrafato and Jane Gavan.

ARTICLE 2

PURCHASE AND SALE

Section 2.1 Agreement to Purchase and Sell and Purchase Price

- (1) On the terms and subject to the conditions set out in this Agreement, at the Closing, the Vendors shall sell, assign, transfer and convey (or cause to be sold, assigned, transferred and conveyed) to the Purchaser (or as the Purchaser may otherwise direct), and the Purchaser shall purchase, the Purchased Assets free and clear of any Encumbrances other than the Permitted Encumbrances. The purchase price (the **“Purchase Price”**) for the Purchased Assets shall be equal to \$2,439,173,464, plus the Cap Ex and Development Amount, less the aggregate value ascribed to the Holdback Properties as set forth on Schedule 2.1(4) attached to the Disclosure Letter.
- (2) At and from and after Closing, the Purchaser will assume, fulfil and perform, and indemnify and save harmless the Vendors in respect of, the Assumed Liabilities.
- (3) The Purchase Price shall be satisfied by the Purchaser at the Closing by (a) the assumption by the Purchaser of the Assumed Liabilities, and (b) a wire transfer in an amount equal to \$1,523,259,010, plus the Cap Ex and Development Amount, less the aggregate value ascribed to the Holdback Properties set forth on Schedule 2.1(4) to the Disclosure Letter (the **“Cash Purchase Price”**), of immediately available funds to Dundee Properties LP (in accordance with wire instructions delivered to GE not less than two Business Days prior to the Closing), against delivery of the documents and instruments listed in Section 2.1(5).
- (4) The Purchase Price shall be allocated among the Purchased Assets and payable amongst Dundee Properties LP and its Subsidiaries in accordance with Schedule 2.1(4) attached to the Disclosure Letter. The parties shall treat such allocation as binding for all purposes, including the filing of all Tax Returns and other returns and any other documents and records legally required by the respective parties and will not take any position inconsistent with such allocation.
- (5) At the Closing, the Vendors shall deliver, or cause to be delivered, to the Purchaser (except in respect of Holdback Properties):
 - (a) certificates representing the Nominee Shares, duly endorsed in blank for transfer or accompanied by duly signed powers of attorney for transfer in blank (and evidence of the entry of the applicable Purchaser’s name and address, or as such Purchaser may otherwise direct, into the applicable share registers);
 - (b) transfer(s) of the Assumed Properties to the Purchaser, or as the Purchaser may otherwise direct; and
 - (c) all other documents and instruments reasonably necessary or desirable to effect the assignment, transfer and sale of the Purchased Assets to the Purchaser and the other transactions contemplated hereby (including bills of sale, general conveyances, transfers of limited partnership interests, assignment and assumption of Contracts, assignment and assumption of leases that form part of the Purchased Assets and indemnities referred to in this Agreement), all as reasonably requested by the Purchaser. None of the foregoing documents shall contain covenants, representations or warranties in addition to or more onerous upon the Vendors or their Subsidiaries than those expressly set forth in this Agreement, unless the parties thereto otherwise agree. The Vendors agree that they will, and will cause their Subsidiaries to, execute and deliver such declarations regarding title to the Assumed Properties, in the form of declaration attached as Schedule 2.1(5)(c) to the Disclosure Letter, as the Purchaser may from time to time request.
- (6) Notwithstanding anything else contained herein to the contrary, Purchaser and GE will not assume and shall have no obligation to fulfil or perform any of the Excluded Liabilities. The Excluded Liabilities shall remain Liabilities of the Vendors and their Subsidiaries. The Vendors will fulfil and perform, and indemnify and save harmless GE and the Purchaser in respect of the Excluded Liabilities.
- (7) The Vendors will, and will cause their Subsidiaries to, use reasonable commercial efforts before and after Closing (until December 31, 2007) to obtain any third party consents or waivers necessary to permit the assignment to, and assumption by, the Purchaser of all the Contracts to be assigned to and assumed by the Purchaser pursuant to this Agreement.
- (8) The parties will in good faith use reasonable commercial efforts to negotiate arrangements with the holder of the MCAP Loan to divide the MCAP Loan between the MCAP Loan Eastern Properties and the MCAP Loan

Western Properties on terms acceptable to the Vendor and the Purchaser, each acting reasonably. If by Closing the parties have not been satisfied with any such arrangement on acceptable terms, the Purchaser shall nevertheless purchase the MCAP Loan Eastern Assets and the Vendor shall concurrently pay such amounts as are required pursuant to the MCAP Loan to obtain a discharge thereof in respect of the MCAP Loan Eastern Assets only. The parties acknowledge that pursuant to the MCAP Loan and in order to obtain such discharge, a payment is required to be made to the holder of the MCAP Loan equal to the greater of 3 months' interest and certain yield maintenance as set forth in the MCAP Loan and that the Vendor and the Purchaser shall each pay such amounts at Closing in connection with their respective properties.

- (9) Following Closing, the parties shall in good faith continue to use reasonable commercial efforts to obtain the consents required to transfer the Holdback Consent Properties to the Purchaser, which consents shall be in a form and substance acceptable to the Purchaser. If any such consents are not obtained on or prior to December 31, 2007, the Purchaser shall have no obligation to purchase and the Vendor shall have no obligation to sell to the Purchaser the applicable Holdback Consent Property. If such a consent is obtained for a Holdback Consent Property on or prior to December 31, 2007, the Purchaser shall purchase and the Vendor shall sell the applicable Holdback Consent Property on the following terms:
- (a) the purchase price shall be the amount ascribed to such Holdback Consent Property pursuant to Section 2.1(4), as adjusted by those adjustments that would typically be made on the sale of a property of the same type and location as the applicable Holdback Consent Property and as further adjusted to reflect any change in the Closing Working Capital;
 - (b) the purchase and sale shall be completed on the 10th Business Day following receipt by the Purchaser of the applicable consent or such other date as may be agreed upon between the parties, each acting reasonably; and
 - (c) the Vendor or its Subsidiaries, as applicable, shall have operated the applicable Holdback Consent Property in accordance with the requirements set forth in Section 4.1(1)(a), (h), (i), (j), (o) and (u) hereof.

Section 2.2 Working Capital Adjustment

- (1) No later than 30 days after the Closing Date, Dundee Properties LP will cause to be prepared and delivered to the Purchaser: (a) a balance sheet of the Eastern Undertaking as of the Closing Date prepared in accordance with GAAP as in effect on the date of this Agreement applied on a basis consistent with those employed in the preparation of the audited financial statements of Dundee Properties LP (the "**Closing Date Balance Sheet**"); and (b) the closing statement (the "**Closing Statement**"), which will present the actual Working Capital of the Eastern Undertaking as of the close of business on the Closing Date (the "**Closing Working Capital**") and will be prepared based on the Closing Date Balance Sheet and in the same manner as Schedule WC attached to the Disclosure Letter.
- (2) The Cash Purchase Price will be: (a) increased dollar-for-dollar by the amount that the Closing Working Capital is greater than the Estimated Working Capital; or (b) decreased dollar-for-dollar by the amount that the Closing Working Capital is less than the Estimated Working Capital, in each case as determined in accordance with the procedures set forth in this Section 2.2. The amount of any increase to the Cash Purchase Price pursuant to this Section 2.2(2) will be paid by the Purchaser to Dundee Properties LP in accordance with Section 2.2(6). The amount of any decrease to the Cash Purchase Price pursuant to this Section 2.2(2) will be paid by Dundee Properties LP to the Purchaser in accordance with Section 2.2(6). All payments due pursuant to this Section 2.2(2) will accrue interest at the rate of 5% per annum, during the period commencing on the Closing Date to but excluding the date of such payment.
- (3) The Purchaser and its advisors and auditors will have 15 Business Days following receipt by the Purchaser of the Closing Date Balance Sheet and the Closing Statement (collectively, the "**Closing Working Capital Documents**") to review the Closing Working Capital Documents. If the Purchaser disagrees with Dundee Properties LP's calculation of Closing Working Capital provided in the Closing Statement, the Purchaser may, within such 15 Business Day period, deliver a notice to Dundee Properties LP disagreeing with such calculation and setting forth the Purchaser's calculation of such amount. Any such notice of disagreement will specify those items or amounts as to which the Purchaser disagrees, and the Purchaser will be deemed to have agreed with all other items and amounts contained in the Closing Statement and the calculation of Closing Working Capital delivered pursuant to Section 2.2(1). If the Purchaser fails to deliver such notice in such 15 Business

Day period, the Purchaser will be deemed to have waived its right to contest the Closing Working Capital Documents, and the calculation of Closing Working Capital set forth therein will be deemed to be final and binding upon the Purchaser and Dundee Properties LP and such amount will be used for purposes of calculating any Purchase Price adjustment pursuant to Section 2.2(2).

- (4) If a notice of disagreement is duly delivered pursuant to Section 2.2(3), Dundee Properties LP and the Purchaser will, during the 15 Business Days following such delivery, use their reasonable commercial efforts to reach agreement on the disputed items or amounts in order to determine, as may be required, the amount of Closing Working Capital, which amount will not be less than the amount thereof shown in Dundee Properties LP's calculation delivered pursuant to Section 2.2(1) nor more than the amount thereof shown in the Purchaser's calculation delivered pursuant to Section 2.2(3). If during such 15 Business Day period, Dundee Properties LP and the Purchaser are unable to reach such agreement, then all amounts and issues remaining in dispute will be submitted by Dundee Properties LP or the Purchaser to a senior audit partner at the Toronto office of KPMG LLP chosen by the managing partner of such office (the "**Accounting Referee**") for a determination resolving such disputed items or amounts for the purpose of calculating Closing Working Capital (it being understood that, in making such calculation, the Accounting Referee will be functioning as an expert and not as an arbitrator). Dundee Properties LP and the Purchaser will promptly provide such senior audit partner with all documentation as he or she may reasonably request in order to make an accurate determination of the quantum of the Closing Working Capital. The determination by the Accounting Referee will be made within 20 Business Days of such referral and will be final and binding on both parties. In making such calculation, the Accounting Referee will consider only those items or amounts in the Closing Statement and Dundee Properties LP's calculation of the Closing Working Capital as to which the Purchaser has disagreed. The Accounting Referee will deliver to Dundee Properties LP and the Purchaser, as promptly as practicable (but in any case no later than 20 Business Days from the date of engagement of the Accounting Referee), a report setting forth his or her calculation of the Closing Working Capital. Such report will be final and binding upon Dundee Properties LP and the Purchaser and will be used for purposes of calculating any Purchase Price adjustment pursuant to Section 2.2(2). The cost of such review and report will be borne based on the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. (For example, if the Purchaser contests an amount equal to \$500 and the Accounting Referee ultimately resolves the dispute by awarding the Purchaser \$200 of the \$500 contested amount, then the costs of the Accounting Referee will be allocated 60% (i.e., 300/500) to the Purchaser and 40% (i.e., 200/500) to Dundee REIT.)
- (5) Dundee Properties LP and the Purchaser will, and will cause their respective Representatives to, cooperate and assist in the preparation of the Closing Statement and the calculation of the Closing Working Capital and in the conduct of the review referred to in this Section 2.2, including the making available to the extent necessary or appropriate of books, records, work papers and personnel.
- (6) Any payment by the Purchaser or Dundee Properties LP pursuant to Section 2.2(2) will be made at a mutually convenient time and place within five Business Days after the Closing Working Capital is agreed to by the Purchaser and Dundee Properties LP, or is determined to be final and binding either pursuant to Section 2.2(3) or Section 2.2(4), by wire transfer of immediately available funds to an account specified by the recipient of the payment.

Section 2.3 Funded Debt Adjustment

- (1) No later than 10 Business Days after the Closing Date, Dundee Properties LP will cause to be prepared and delivered to the Purchaser a statement (the "**Closing Funded Debt Statement**") showing Funded Debt as of the Closing Date (the "**Closing Funded Debt**"). The Closing Funded Debt Statement will be prepared in the same manner as Schedule FD of the Disclosure Letter.
- (2) The Cash Purchase Price will be: (a) decreased dollar-for-dollar by the amount that the Closing Funded Debt is greater than the Estimated Funded Debt; or (b) increased dollar-for-dollar by the amount that the Closing Funded Debt is less than the Estimated Funded Debt, in each case as determined in accordance with the procedures set forth in Section 2.2, *mutatis mutandis*. The amount of any increase to the Cash Purchase Price pursuant to this Section 2.3(2) will be paid by the Purchaser to Dundee Properties LP in accordance with Section 2.2(6), *mutatis mutandis*. The amount of any decrease to the Cash Purchase Price pursuant to this Section 2.2(2) will be paid by Dundee Properties LP to the Purchaser in accordance with Section 2.2(6), *mutatis mutandis*. The amount of any decrease to the Cash Purchase Price pursuant to this Section 2.2(2) will be paid

by Dundee Properties LP to the Purchaser in accordance with Section 2.2(6), *mutatis mutandis*. All payments due pursuant to this Section 2.3(2) will accrue interest at the rate of 5% per annum, during the period commencing on the Closing Date to but excluding the date of such payment.

Section 2.4 Location and Timing of Closing

The Closing (the “**Closing**”) will be held at 10:00 a.m. (Toronto time) on the third to last Business Day of the calendar month in which the date (the “**Satisfaction Date**”) of the satisfaction or waiver (subject to applicable Law) of the conditions (excluding conditions that, by their terms, are to be satisfied on the Closing Date, but subject to the satisfaction or waiver (subject to applicable Law) of those conditions as of the Closing Date) set forth in Section 2.5 falls (provided that if the Satisfaction Date is less than five Business Days before the end of a calendar month, the Closing will occur on the third to last Business Day of the immediately following calendar month), or such other time or date as is agreed to in writing by GE and Dundee REIT (the “**Closing Date**”). The Closing will take place at the offices of Osler, Hoskin & Harcourt LLP, 100 King Street West, 1 First Canadian Place, Suite 6300, Toronto, Ontario, M5X 1B8, on the Closing Date unless another place is agreed to in writing by GE and Dundee REIT.

Section 2.5 Conditions

- (1) The obligation of each party to effect the purchase or sale, as applicable, of the Purchased Assets is conditional on the prior satisfaction of the following conditions:
 - (a) this Agreement shall not have been terminated in accordance with Section 5.1;
 - (b) the Unitholder Approval shall have been obtained;
 - (c) no cease trade order, injunction or other prohibition under any applicable Law or imposed by any Governmental Authority shall exist which would make the consummation of any of the transactions contemplated hereby illegal;
 - (d) the Regulatory Approvals shall have been obtained or concluded on terms and conditions that do not adversely affect the activities of GE or the Purchaser or their respective Affiliates in any material respect and no Governmental Authority shall have advised GE or the Purchaser that it intends to seek to impose any restriction on their respective activities as a result of the transactions contemplated by this Agreement that would adversely affect GE or the Purchaser or their respective Affiliates in any material respect;
 - (e) no Law or regulation relating to Taxes and no interpretation thereof by any Governmental Authority shall have been announced, proposed, enacted, promulgated or applied, in each case after the date hereof, which would have a material adverse effect on the ability of Dundee REIT or the Purchaser to consummate the transactions contemplated hereby, including to purchase or redeem the Units for \$47.50 as contemplated hereby; and
 - (f) each of the Declaration of Trust, the Dundee Limited Partnership Agreement, the Exchange and Support Agreement, the Governance Agreement, the Trust A Declaration of Trust and the Trust B Declaration of Trust, shall have been amended, in form and substance satisfactory to GE and Dundee REIT, each acting reasonably, as contemplated by the term sheet attached as Schedule E in order to give effect to the transactions contemplated hereby.
- (2) The obligation of the Vendors to complete the sale of the Purchased Assets is conditional on the prior satisfaction of the following conditions:
 - (a) the Purchaser shall have performed and complied in all material respects with its covenants and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date and the Vendors shall have received a certificate of two officers of the Purchaser (in each case without personal Liability) addressed to the Vendors dated as of the Closing Date confirming same;
 - (b) the representations and warranties of GE and the Purchaser set forth in this Agreement (including Schedule C) shall be true and correct (without regard to any materiality qualifiers contained therein) as of the date hereof and as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representation or warranty by its terms is expressly limited to a specific date, in which case as of such specific date), except to the extent that any breach thereof would not individually or in the aggregate reasonably be expected to have a material adverse effect on the ability of the Purchaser to

consummate the transactions contemplated hereby and the Vendors shall have received a certificate signed by two officers of the Purchaser (in each case without personal Liability) addressed to the Vendors dated as of the Closing Date confirming same; and

- (c) Dundee Realty Corporation shall have executed and delivered an asset management agreement with Dundee REIT, substantially in the form of the asset management agreement attached as Schedule F, pursuant to which Dundee Realty Corporation will provide asset management and related services with respect to the real properties that will continue to be owned by Dundee Properties LP following the Closing.
- (3) The obligation of the Purchaser to complete the purchase of the Purchased Assets is conditional on the prior satisfaction of the following conditions:
- (a) the Vendors shall have performed and complied in all material respects with their covenants and agreements required by this Agreement to be performed or complied with by them on or prior to the Closing Date and GE and the Purchaser shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of Dundee REIT (in each case without personal Liability) addressed to GE and the Purchaser and dated as of the Closing Date confirming same;
 - (b) the representations and warranties of the Vendors set forth in this Agreement (including Schedule B) shall be true and correct (without regard to any materiality qualifiers or Big MAC qualifiers contained therein) as of the date hereof and as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representation or warranty by its terms is expressly limited to a specific date, in which case as of such specific date), except to the extent that any breach thereof would not individually or in the aggregate reasonably be expected to result in a Big MAC. In addition, the representations and warranties in paragraphs 2, 3 and 4 of Schedule B shall be true and correct in all material respects. GE and the Purchaser shall have received a certificate signed by the Chief Executive Officer and the Chief Financial Officer of Dundee REIT (in each case without personal Liability) addressed to GE and the Purchaser and dated as of the Closing Date confirming all of the foregoing;
 - (c) no Big MAC shall have occurred and GE and the Purchaser shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of Dundee REIT (in each case without personal Liability) addressed to GE and the Purchaser and dated as of the Closing Date confirming same;
 - (d) the Board (with interested Trustees abstaining) shall have unanimously recommended that the Unitholders vote for the Unitholder Resolution and shall not have withdrawn such unanimous recommendation or changed, modified or qualified such unanimous recommendation in any manner adverse to GE or the Purchaser;
 - (e) Dundee Realty Corporation shall have executed and delivered an asset management agreement with each of the Purchaser and Dundee REIT, substantially in the respective forms of asset management agreement attached as Schedule 2.5(3)(e) to the Disclosure Letter and Schedule F, respectively, pursuant to which Dundee Realty Corporation will provide asset management and related services to the Purchaser with respect to the Assumed Properties and to the Vendors with respect to their operations following the Closing, respectively;
 - (f) Dundee Management Limited Partnership and Dundee Realty Management Corp. shall have executed and delivered a sub administrative services agreement with the Purchaser and Dundee Management Limited Partnership shall have executed and delivered an administrative services agreement with the Purchaser, in each case in form and substance satisfactory to GE, acting reasonably, and consistent with the terms and conditions described in the term sheet attached as Schedule G;
 - (g) the Lock-Up Agreements shall not have been terminated and none of the parties thereto (other than GE) shall have breached, in any material respect, any representation, warranty, covenant or agreement therein;
 - (h) GE and the Purchaser shall have received tax opinions of Wilson & Partners LLP, dated the Closing Date in the form attached as Schedule 2.5(3)(h) to the Disclosure Letter; and
 - (i) Dundee REIT shall have executed and delivered a registration rights agreement with the Purchaser in form and substance satisfactory to GE, acting reasonably pursuant to which the Purchaser would be granted (i) one demand registration right per year (at the Purchaser's expense), and (ii) unlimited

piggyback registration rights, subject to *pro rata* underwriters' cutback (at Dundee REIT's expense, other than underwriters' discounts and commissions).

The foregoing conditions in Section 2.5(1) through (3) are for the sole benefit of the applicable party and may be waived in writing by such party in whole or in part in such party's discretion, acting reasonably. Subject to the terms and conditions of this Agreement, each of the parties hereto will use reasonable commercial efforts to take all actions necessary or desirable to satisfy the conditions of closing for the benefit of such party set out in this Section 2.5 prior to the Closing Date.

Section 2.6 Unitholder Meeting

- (1) Dundee REIT hereby represents and warrants to GE and the Purchaser that its Board (with interested Trustees abstaining): (i) has unanimously approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby; (ii) has, following consultation with its financial and outside legal advisors, unanimously determined that the consummation of the transactions contemplated by this Agreement is in the best interests of Dundee REIT and the Unitholders; and (iii) has unanimously resolved to recommend that Unitholders vote in favour of the Unitholder Resolution at the Unitholder Meeting.
- (2) As promptly as reasonably practicable after the execution and delivery of this Agreement, and in any event by August 15, 2007, Dundee REIT shall, in consultation with GE, (i) establish a record date for, duly call, give notice of, convene and hold the Unitholder Meeting, and (ii) prepare the Circular, together with any other documents required by the Declaration of Trust and applicable Law in connection with the Unitholder Meeting and Section 2.8 hereof and provide GE with a reasonable opportunity to review and comment on drafts of the Circular and such documents (and will accept the reasonable comments of GE and its legal counsel); provided, however, GE will have the right to approve statements therein regarding: (a) the status of Dundee REIT as a real estate investment trust, (b) whether Dundee REIT has exceeded "normal growth" as determined by the "normal growth guidelines" issued by the Department of Finance on December 15, 2006, as amended, (c) the allocation to Unitholders of income and gains realized in connection with the transactions contemplated hereby, and (d) the impact of such recapture on the determination of the purchase price of Units contemplated hereby. The Circular shall include (among other things) the unanimous recommendation of the Board as described in Section 2.6(1) and the opinions and formal valuation referred to in Section 2.6(7). As promptly as reasonably practicable after the execution and delivery of this Agreement, Dundee REIT will file the Circular and any other documentation required to be filed under applicable Law in all jurisdictions where the Circular and such other documentation are required to be filed by Dundee REIT and mail or cause to be mailed the Circular and any other documentation required to be mailed under the Declaration of Trust or applicable Law in connection with the Unitholder Meeting and Section 2.8 to each Unitholder, Deferred Unitholder, Debentureholder (if required) and each other Person to whom such documents are required to be sent under applicable Law and the Declaration of Trust. GE will provide such assistance as Dundee REIT may reasonably request in such regard.
- (3) Each of GE and Dundee REIT shall proceed diligently, in a coordinated fashion and use its reasonable commercial efforts to co-operate in the preparation of the Circular as described in Section 2.6(2), and in the preparation of any exemptive relief applications or orders and any other documents determined reasonably necessary by either of them to discharge their respective obligations under applicable Law.
- (4) Each of GE and Dundee REIT shall furnish to each other, on a timely basis, all information as may be reasonably required to effectuate the foregoing actions, and each covenants that no information so furnished by it in writing in connection with those actions will contain any Misrepresentation.
- (5) Dundee REIT shall ensure that the Circular complies with all applicable Laws and, without limiting the generality of the foregoing, that the Circular does not contain any Misrepresentation (except that this covenant does not speak with respect to any information relating to and provided in writing by GE) and provides the Unitholders with information in sufficient detail to permit them to form a reasoned judgment concerning the transactions contemplated by this Agreement, including the matters to be placed before them at the Unitholder Meeting and the transaction contemplated by Section 2.8. GE shall ensure that any information relating to it which is included in the Circular and provided by GE in writing does not contain a Misrepresentation.
- (6) Dundee REIT shall not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the Unitholder Meeting without GE's prior written consent except as required by applicable Laws or the Declaration of Trust (other than applicable Laws governing fiduciary or similar duties which the parties agree

are otherwise addressed in this Agreement). Dundee REIT shall keep GE updated with respect to proxy solicitation results as reasonably requested by GE.

- (7) Dundee REIT represents and warrants to GE and the Purchaser that it has obtained (a) an opinion from each of its financial advisors, Brookfield Financial Real Estate Group Limited and Blackmont Capital Inc. that, as of the date hereof, the consideration to be received by public Unitholders as a result of the transactions contemplated hereby is fair, from a financial point of view, to such Unitholders, and a correct and complete copy of each such opinion will be included in the Circular, and (b) a formal valuation from its financial advisor, Blackmont Capital Inc., prepared in accordance with Ontario Securities Commission Rule 61-501 and a correct and complete copy of such formal valuation will be included in the Circular.
- (8) Dundee REIT represents and warrants to GE and the Purchaser that the Trustees have been advised that each of the trustees, directors and senior officers of the Vendors intends to vote, or cause to be voted, all Units of which he or she is the beneficial owner in favour of the Unitholder Resolution and that he or she has no current intention to dispose of such Units prior to the Unitholder meeting.

Section 2.7 Waiver of Standstill

Subject to the last sentence of this Section 2.7, Dundee REIT hereby irrevocably and unconditionally waives the standstill provisions in the Confidentiality Agreement in favour of GE and its Affiliates. Notwithstanding the foregoing, such standstill provisions are not waived so as to permit either (a) GE or its Affiliates (as defined in the Confidentiality Agreement) to directly or indirectly acquire Units during the 12-month period immediately following the Closing Date, or (b) GE or its Affiliates (as defined in the Confidentiality Agreement), prior to the Closing Date, to directly or indirectly solicit or otherwise contact third parties in connection with the resale of any Purchased Assets to such third parties.

Section 2.8 GE Investment

Subject to and conditional upon the completion of the purchase and sale of the Purchased Assets by the Purchaser and provided that no Western MAC has occurred, immediately after the redemption or purchase of Units contemplated by Section 4.1(2)(j), the Purchaser will purchase 3,473,684 Units (the “**Purchased Units**”) at a price per Unit of \$47.50 in cash (the “**Offer Price**”) from Unitholders that tender their Units to the Purchaser in connection with the transactions contemplated by this Agreement; provided, however, that the Purchaser will not be required to purchase more than 694,736 REIT Units, Series B from Unitholders. Neither GE nor the Purchaser shall be required to purchase or make any offer to purchase Purchased Units in any jurisdiction where it would be illegal to do so; provided that, notwithstanding the foregoing, the Purchaser will use commercially reasonable efforts to purchase Units from Unitholders resident in any province of Canada. Dundee REIT will notify the Unitholders in the Circular that the Purchaser has agreed with Dundee REIT to purchase the Purchased Units at the Offer Price conditional upon the completion of the acquisition of the Purchased Assets by the Purchaser. The Purchaser shall take up and pay for the Purchased Units immediately after Dundee REIT takes up and pays for Units pursuant to the substantial issuer bid contemplated by Section 4.1(2)(j); (for greater certainty, the parties agree that GE and the Purchaser will have acted reasonably if either of them treats a Western MAC as described in clause (iv) of the definition of Western Mac as having occurred if it could reasonably be considered that such a Western MAC would have occurred assuming that a new issuance of REIT Units, Series A will occur on December 31, 2007 with a value when issued of \$20 million and for a subscription amount of \$20 million and that all issuances of REIT Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT Units or other such convertible or exchangeable securities constitute growth for purposes of the “normal growth guidelines” referred to in the definition of Western MAC other than the issuance of REIT Units, Series A pursuant to the Convertible Debentures and the issuance of REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006 and valuing the REIT Units issued on each issuance of REIT Units at the subscription price received where such issuance was for cash proceeds and otherwise at the closing trading price of REIT Units, Series A on the date of such issuance).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Vendors

Each of the Vendors represents and warrants, jointly and severally, to and in favour of each of GE and the Purchaser as set forth in Schedule B and acknowledges that each of GE and the Purchaser is relying upon such representations and warranties in connection with the matters contemplated by this Agreement. Each of the representations and warranties set forth in Schedule B is qualified by and is made subject to the information and disclosures contained in the Disclosure Letter; provided that no disclosures contained in the Disclosure Letter will qualify or modify a particular representation or warranty except for such disclosures as are set forth or referred to in the Disclosure Letter under a section heading that corresponds to the section of Schedule B containing the particular representation or warranty.

Section 3.2 Representations and Warranties of GE and the Purchaser

Each of GE and the Purchaser represents and warrants, jointly and severally, to and in favour of the Vendors as set forth in Schedule C and acknowledges that the Vendors are relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

Section 3.3 Survival

For greater certainty, the representations and warranties of the Vendors, GE and the Purchaser contained herein shall survive the execution and delivery of this Agreement and shall terminate at the Closing or the earlier termination of this Agreement in accordance with and subject to Article 5. This Section 3.3 shall have no effect upon any other obligations, covenants or agreements of the parties hereto contained herein, whether to be performed before or after the Closing or the earlier termination of this Agreement, which obligations, covenants and agreements shall survive the Closing in accordance with their terms.

ARTICLE 4

COVENANTS

Section 4.1 Covenants of Dundee REIT

- (1) Each of the Vendors covenants and agrees that, until the Closing or the earlier termination of this Agreement in accordance with Article 5, except: (i) with the prior written consent of GE; (ii) as expressly contemplated by this Agreement; or (iii) as disclosed in Section 4.1 or Schedule SM of the Disclosure Letter, each of the Vendors will and will cause its Subsidiaries, as applicable, to (provided, however, that Section 4.1(1)(h) through Section 4.1(1)(r) and Sections 4.1(1)(t) and 4.1(1)(u) shall not apply to the extent that they relate exclusively to the Western Undertaking):
 - (a) carry on its undertaking in the ordinary and regular course, in compliance, in all material respects, with all applicable Law and in substantially the same manner as heretofore conducted and use commercially reasonable efforts to preserve intact its present organization and keep available the services of its present officers and employees and others having business dealings with it to the end that its goodwill and undertaking shall be maintained (provided, however, that notwithstanding the foregoing, the Vendors and their Subsidiaries may engage in an activity exclusively related to the Western Undertaking outside of the ordinary course after prior written notice of such activity is given to GE and provided such activity does not violate investment guidelines or operating policies of Dundee Properties LP);
 - (b) not split, consolidate, classify or reclassify any of the outstanding Units or other equity interests of Dundee REIT or any of its Subsidiaries, nor declare, set aside or pay any distributions whether in cash, securities or other property on or in respect of the outstanding Units or other equity interests of Dundee REIT or any of its Subsidiaries that is not directly or indirectly wholly-owned by Dundee REIT, other than (A) regular monthly distributions by Dundee REIT of \$0.183 per Unit, (B) Units to the extent necessary in respect of the May, 2007 and June, 2007 distribution payable in June, 2007 and July, 2007, respectively, pursuant to the Distribution Reinvestment Plan, and, with respect to the June, 2007

distribution payable in July, 2007, after reasonable commercial efforts have been taken by Dundee REIT to suspend the Distribution Reinvestment Plan before such distribution, and (C) units of Dundee Properties LP to the extent necessary in respect of the May, 2007 and June, 2007 distribution payable in June, 2007 and July, 2007, respectively, pursuant to the distribution reinvestment provisions of Schedule A-2 of the Dundee Limited Partnership Agreement, and, with respect to the June, 2007 distribution payable in July, 2007, after reasonable commercial efforts have been taken by Dundee Properties LP to suspend such distribution reinvestment provisions before such distribution;

- (c) comply with and not amend the Declaration of Trust, the Dundee Limited Partnership Agreement and/or any other constating documents of the Vendors and their Subsidiaries and comply with and not amend the investment guidelines and operating policies applicable to the Vendors and their Subsidiaries;
- (d) not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose the sale, grant, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of, any Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such Units or other such convertible or exchangeable securities, except for (A) the issuance of (i) REIT Units, Series A pursuant to the Convertible Debentures, (ii) REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006, (iii) Units to the extent necessary in respect of the May and June, 2007 distributions payable in June, 2007 and July, 2007 respectively, pursuant to the Distribution Reinvestment Plan, and, with respect to the June, 2007 distribution payable in July, 2007, after reasonable commercial efforts have been taken by Dundee REIT to suspend the Distribution Reinvestment Plan before such distribution, (iv) REIT Units, Series A to Dundee Corporation or its Affiliates on the conversion by them of REIT Units, Series B to the extent necessary to prevent Dundee Corporation from breaching its obligations to deliver REIT Units, Series A pursuant to the Exchangeable Debentures after reasonable commercial efforts have been taken by Dundee Corporation to otherwise obtain such REIT Units, Series A and otherwise satisfy such obligations, and (v) not more than 45,000 REIT Units, Series A to the extent necessary in respect of the Deferred Unit Incentive Plan after reasonable commercial efforts have been taken by Dundee REIT to otherwise satisfy its obligations under the Deferred Unit Incentive Plan, and (B) the redemption of Units pursuant to Section 5.24 of the Declaration of Trust;
- (e) not amend the articles, by-laws, declaration of trust, limited partnership agreement or other organizational documents of any Subsidiary of Dundee REIT, or, except for the sale of a JV Interest to an existing limited partner, a Co-Owned Interest to an existing co-owner or an Assumed Property to a tenant under a Tenant Option, together, in each case, with the shares of any Nominee relating to such JV Interest, Co-Owned Interest or Assumed Property to be sold (in all cases, pursuant to the due exercise of a contractual right existing on the date hereof under a Material Contract), sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose the sale, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of any securities of any Subsidiary of Dundee REIT, or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such securities or securities of Dundee REIT or other securities convertible into or exchangeable or exercisable for securities of Dundee REIT, except for the issuance of (A) units of Dundee Properties LP to the extent necessary in respect of the May, 2007 and June, 2007 distributions payable in June, 2007 and July, 2007, respectively, pursuant to the distribution reinvestment provisions of Schedule A-2 of the Dundee Limited Partnership Agreement, and, with respect to the June, 2007 distribution payable in July, 2007, after reasonable commercial efforts have been taken by Dundee Properties LP to suspend such distribution reinvestment provisions, (B) in the ordinary course of business consistent with past practice, securities not convertible into or exchangeable or exercisable for any securities of Dundee REIT or other securities convertible into or exchangeable or exercisable for securities of Dundee REIT, and (C) shares, units or other securities of direct or indirect Subsidiaries of Dundee REIT to other direct or indirect Subsidiaries of Dundee REIT or to Dundee REIT;
- (f) not amend, vary or modify the Deferred Unit Incentive Plan or the Distribution Reinvestment Plan or any benefits or entitlements granted thereunder, as applicable;
- (g) not reorganize, amalgamate, consolidate or merge Dundee REIT or any of its Subsidiaries with any other Person;

- (h) not sell or otherwise dispose of any Purchased Assets or any direct or indirect interests therein, except to any third parties having a JV Interest, Co-Owned Interest or Tenant Option (in each case, pursuant to the due exercise of a contractual right existing on the date hereof under a Material Contract);
- (i) not enter into, renew or amend, terminate or waive compliance with the terms of, or breach or assign any Material Contracts;
- (j) other than transaction costs incurred in connection with the transactions contemplated hereby and other than pursuant to commitments existing as of the date hereof and disclosed in the Disclosure Letter, not make any individual expenditure or series of related expenditures other than in the ordinary course of business in excess of \$250,000 or make any expenditure other than in the ordinary course of business if to do so would result in the aggregate amount of all expenditures other than in the ordinary course of business exceeding \$2,000,000 and, for greater certainty, shall not purchase, lease or otherwise acquire any capital asset or group of related capital assets at a cost in excess of \$250,000 or acquire any capital assets if to do so would result in the aggregate cost of all acquisitions other than in the ordinary course of business exceeding \$2,000,000;
- (k) not, other than as required pursuant to employment, pension, supplemental pension, termination, retention agreements or compensation arrangements or policies existing as of the date hereof and disclosed in the Disclosure Letter (correct and complete copies (or if oral, written summaries) of which have been made available to GE and the Purchaser in the Data Room Information) or as required by applicable Law, make, enter into, modify or waive any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or any employee benefits plans covering, or grant any bonuses, salary increases, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or authorize any other form of (or increase of) compensation or any other form of (or increase of) benefits payable to, or accelerate the vesting of any item of compensation or employee benefits with respect to, or make any loan to, any In-Scope Employees;
- (l) not initiate, settle or compromise any claim, litigation or arbitration proceeding brought by any present, former or purported holder of any of the securities of Dundee REIT or any of its Subsidiaries in connection with the transactions contemplated hereby prior to the Closing;
- (m) other than in favour of a wholly owned Subsidiary of Dundee REIT or with respect to Funded Debt, not (i) guarantee the payment of any additional indebtedness or enter into any “keep well” or other agreement to maintain the financial condition of another Person, or incur any additional indebtedness (secured or unsecured) for guarantees or borrowed money or issue or sell any debt securities to the extent such obligations would constitute an Assumed Liability; (ii) make loans, advances or other capital contributions to or investments in any other Person; (iii) prepay, refinance or otherwise amend any existing indebtedness that would constitute an Assumed Liability; or (iv) pledge or otherwise permit or suffer to exist any Encumbrance on any Units or other equity or securities of Dundee REIT or any of its Subsidiaries which constitute Purchased Assets;
- (n) use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing similar coverage are in full force and effect;
- (o) not enter into any lease, sublease or amendment or renewal of any lease or sublease with respect to any Assumed Properties except in accordance with the leasing plan included in the Data Room Information;
- (p) not take any action that, individually or in the aggregate, would reasonably be expected to cause any of the conditions set forth in Section 2.5 not to be satisfied;
- (q) not enter into or amend any Contract with any broker, finder, financial advisor or investment banker in connection with this Agreement or any Acquisition Proposal;
- (r) not enter into any Contract to do any of the foregoing prohibited matters;
- (s) promptly advise GE orally and in writing of any Big MAC or Western MAC of which Dundee REIT has knowledge;

- (t) co-operate with GE and the Purchaser with respect to any Pre-Closing Transactions, subject to the terms and conditions of Section 4.5; and
 - (u) use commercially reasonable efforts to maintain in existence all licences, permits and approvals that are now in existence with respect to, and are required for ownership, operation and improvements of the Assumed Properties.
- (2) Each of the Vendors shall, and shall cause its Subsidiaries to, perform all obligations reasonably required to be performed by the Vendors or their respective Subsidiaries under this Agreement, co-operate with GE and the Purchaser in connection therewith, and do all such other acts and things as may be reasonably necessary in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each of the Vendors shall and where appropriate shall cause its Subsidiaries to:
- (a) apply for and use commercially reasonable efforts to obtain all Third Party Consents (with assistance of GE and the Purchaser using their reasonable commercial efforts) and, in doing so, keep GE reasonably informed, subject to applicable Law, as to the status of proceedings related to obtaining such Third Party Consents, including promptly providing GE with copies of all related applications and notifications, in draft form, in order for GE to provide its reasonable comments, and promptly providing GE with correct and complete copies of all material correspondence relating to such Third Party Consents;
 - (b) cooperate with GE and the Purchaser in obtaining all Regulatory Approvals;
 - (c) apply for and use commercially reasonable efforts to obtain all necessary consents, approvals and authorizations that are required to be obtained by the Vendors under applicable Law, including such exemption orders and any other documents as may be required under applicable Securities Laws;
 - (d) convene and hold the Unitholder Meeting even if the Board has effected a change in its recommendation in accordance with Section 4.4 hereof unless otherwise agreed in writing by GE;
 - (e) amend the Declaration of Trust, the Dundee Limited Partnership Agreement, the Exchange and Support Agreement, the Governance Agreement, the Trust A Declaration of Trust, the Trust B Declaration of Trust, in form and substance satisfactory to GE, as contemplated by the term sheet attached as Schedule E in order to give effect to the transactions contemplated hereby;
 - (f) use commercially reasonable efforts to defend, in consultation with GE and the Purchaser, all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (g) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order which would make consummation of the transactions contemplated hereby illegal or other order which would have a material adverse effect on the ability of the parties to consummate the transactions contemplated hereby;
 - (h) use commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities from Dundee REIT or any of its Subsidiaries relating to the transactions contemplated hereby;
 - (i) cooperate with GE and the Purchaser to facilitate the assumption by the Purchaser of the Assumed Liabilities;
 - (j) apply all of the proceeds received from the sale of the Purchased Assets to redeem or purchase Units from Unitholders at a price of \$47.50 per Unit and otherwise carry out the transactions contemplated hereby substantially in accordance with the sequence of events described in the steps memorandum attached as Schedule SM to the Disclosure Letter; and
 - (k) instruct any depository retained in connection with the transactions contemplated by this Agreement to pay the Offer Price paid by the Purchaser to such depository to the Unitholders for the Purchased Units.

- (3) The Purchaser and the Vendors agree to the following matters relating to mortgages on the Purchased Assets and the applicable mortgagees of the Funded Debt:
- (a) The Purchaser and the Vendors shall forthwith attempt, using reasonable commercial efforts, to obtain the following from each mortgagee of the Funded Debt:
 - (i) to the extent required by the applicable mortgage or related loan documentation, such mortgagee's consent to (A) the transfer of the applicable Assumed Property and Nominee Shares to the Purchaser, and (B) the assumption by the Purchaser of all obligations in respect of the applicable mortgage of the owner(s) of the applicable Assumed Property; and
 - (ii) such mortgagee's release of Dundee Properties LP and each of its Subsidiaries (other than the applicable Nominee) from any and all Liabilities under Funded Debt on Closing.
 - (b) GE and the Purchaser shall cooperate with Dundee Properties LP and its Subsidiaries and shall provide to the Vendors and the mortgagees of the Funded Debt all documentation and information, financial and otherwise, reasonably requested by such mortgagees to enable the mortgagees of the Funded Debt to properly evaluate the creditworthiness of the Purchaser and the desirability of providing the consents and releases contemplated in Section 4.1(3)(a) above.
 - (c) The Vendors and the Purchaser covenant and agree that the Purchaser shall be responsible for any assumption fees or other payments charged by the mortgagees of the Funded Debt under the mortgages and for the fees and disbursements of the solicitors and other consultants for the mortgagees under the mortgages; provided, however, that the Purchaser shall not be required to pay any fees or make any payments to obtain the releases contemplated by Section 4.1(3)(a)(ii).
 - (d) To the extent that the releases contemplated in Section 4.1(3)(a)(ii) above are not obtained in respect of an Assumed Property by Closing, GE and the Purchaser shall provide an indemnity in favour of Dundee Properties LP and its applicable Subsidiaries pursuant to which GE and the Purchaser, jointly and severally, agree to indemnify Dundee Properties LP and its applicable Subsidiaries from all costs, claims, demands, damages or expenses incurred by them as a result of any default of the Purchaser under the terms of the applicable Funded Debt.
- (4) The Vendors shall indemnify GE and the Purchaser with respect to the difference between the allocated cost of the applicable Assumed Property set out in Schedule 2.1(4) and the option purchase price if any option to purchase contained in the leases described in Section 14 — F 2 (c), (e) or (f) of the Disclosure Letter is exercised during the current term of such lease.

Section 4.2 Notice Provisions

- (1) Each party will give prompt notice to the others of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement in accordance with Article 5 and the Closing of any event or state of facts of which it is aware which occurrence or failure would reasonably be expected to:
- (a) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate in any material respect; or
 - (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to the Closing.
- (2) Each party will give prompt notice to the others if at any time before Closing it becomes aware that the Circular, an application for an order, any registration, consent, circular or approval, or any other filing under applicable Law in connection with the consummation of the transactions contemplated by this Agreement contains a Misrepresentation, or that otherwise requires an amendment or supplement to the Circular, such application, registration, consent, circular, approval or filing, and GE and the Purchaser and Dundee REIT shall co-operate in the preparation of any amendment or supplement to the Circular, application, registration, consent, circular, approval or filing, as required.

Section 4.3 Competition Act/Investment Canada

- (1) Without limiting the generality of Section 4.1, each of Dundee REIT, GE and the Purchaser agree to make:
- (i) any merger notification filings or other submissions pursuant to the Competition Act as may be appropriate

and advisable as promptly as reasonably practicable and to supply as promptly as reasonably practicable any additional information and documentary material that may be reasonably requested by the Competition Commissioner and to take all other reasonable actions necessary, proper or advisable to cause the expiration, waiver or termination of any applicable waiting periods and to obtain Competition Act clearance as set out in Schedule D as soon as reasonably practicable; and (ii) any application for review required under the Investment Canada Act and any other submissions pursuant to the Investment Canada Act as may be appropriate or advisable as promptly as reasonably practicable and to supply as promptly as reasonably practicable any additional information and documentary material that may be reasonably requested by the Minister, the responsible Director of Investments, or their designates and to take all other reasonable actions necessary, proper or advisable to obtain the Investment Canada Act approval as set out in Schedule D as soon as reasonably practicable.

- (2) Each of Dundee REIT, GE and the Purchaser shall, in connection with the notifications, submissions and filings referred to in Section 4.3(1), use its reasonable commercial efforts, subject to all applicable Law relating thereto and to the exchange of privileged, confidential or competitively-sensitive information, (i) keep the other party promptly informed of any material communication received by such party from, or given by such party to, the relevant Governmental Authorities and any material communication received or given in connection with any proceeding by a private party; and (ii) offer the other party the opportunity to provide comments on draft communications to the relevant Governmental Authorities.
- (3) Notwithstanding the foregoing, nothing in this Agreement shall require GE, the Purchaser or any of their Affiliates to divest or hold separate or otherwise take or commit to take any action to obtain any such Regulatory Approval that would adversely affect GE, the Purchaser or any of their Affiliates in any material respect.

Section 4.4 Covenants Regarding Non-Solicitation

- (1) Following the date hereof, Dundee REIT shall not, directly or indirectly, including through any trustee, officer, director, employee, agent or Representative of Dundee REIT or any of its Subsidiaries, and shall not permit any such Person to, (i) solicit, initiate, encourage, invite or otherwise facilitate (including by way of furnishing non-public information or entering into any form of agreement, letter of intent, arrangement or understanding or providing any other form of assistance) any inquiries or proposals regarding, or other action that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, (ii) participate in any discussions or negotiations in furtherance of such inquiries or proposals or regarding any Acquisition Proposal or release any Person from, or fail to enforce, any confidentiality or standstill agreement or similar obligation to Dundee REIT or any of its Subsidiaries, (iii) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until 15 calendar days following the formal commencement of a take-over bid that constitutes an Acquisition Proposal shall not be considered to be in violation of this Section 4.4(1)), (iv) accept or enter into any agreement, letter of intent, arrangement or understanding, or propose publicly to accept or enter into any agreement, letter of intent, arrangement or understanding related to any Acquisition Proposal (other than a confidentiality agreement contemplated in Section 4.4(2)), or (v) withdraw, modify or qualify, or publicly propose to withdraw, modify or qualify, in any manner adverse to GE or the Purchaser, the unanimous approval or recommendation of the Board (including any committee thereof) of this Agreement or any of the transactions contemplated hereby.
- (2) Notwithstanding anything contained in Section 4.4(1), until the Unitholder Approval is obtained, nothing shall prevent the Board from complying with Dundee REIT's disclosure obligations under applicable Law (including by responding through a directors' circular or otherwise as required by applicable Securities Laws) with regard to a *bona fide* written, unsolicited Acquisition Proposal or, following the receipt of any such Acquisition Proposal from a third party (that did not result from any breach of this Section 4.4), from furnishing or disclosing non-public information to such Person if and only to the extent that: (i) the Board believes in good faith (after consultation with its financial advisor and outside legal counsel) that such Acquisition Proposal if consummated would reasonably be expected to result in a Superior Proposal; and (ii) such third party has entered into a confidentiality agreement having substantially the same terms as the Confidentiality Agreement (including the standstill contained therein) and Dundee REIT sends a correct and complete copy of any such confidentiality agreement to GE as soon as practicable following its execution and GE is provided, as soon as

practicable, with a list of, or in the case of information that was not previously made available to GE, correct and complete copies of, all information provided to such Person; and (iii) such third party is provided access to such non-public information for a period of no more than seven calendar days.

- (3) Notwithstanding anything contained in Section 4.4(1), until the Unitholder Approval is obtained, nothing shall prevent the Board from withdrawing or modifying, or proposing publicly to withdraw or modify, its approval and recommendation of the transactions contemplated by this Agreement, or accepting, approving or recommending or entering into any agreement, letter of intent, arrangement or understanding providing for a bona fide written, unsolicited Acquisition Proposal (that did not result from a breach of this Section 4.4) (“**Proposed Agreement**”) if and only to the extent that: (i) Dundee REIT has provided GE with a correct and complete copy of all of the documents in its possession relating to the Acquisition Proposal, (ii) the Board believes in good faith (after consultation with its financial advisor and outside legal counsel) that such Acquisition Proposal constitutes a Superior Proposal and has promptly notified GE of such determination, (iii) a period of at least five Business Days (the “**Matching Period**”) has elapsed following the later of (x) the date GE received written notice advising GE that the Board has resolved, subject to compliance with this Section 4.4(3), to withdraw or modify its approval and recommendation of the transactions contemplated by this Agreement or accept, approve or recommend or enter into a Proposed Agreement in respect of such Superior Proposal and (y) the date GE received a correct and complete copy of the documentation related to such Superior Proposal pursuant to Section 4.4(3)(i), (iv) if GE has proposed to amend this Agreement in accordance with Section 4.4(6), the Board has again made the determination in Section 4.4(3)(ii) taking into account such proposed amendments; and (v) if Dundee REIT proposes to enter into any Proposed Agreement (other than a confidentiality agreement in accordance with Section 4.4(2)) after complying with this Section 4.4(3), Dundee REIT shall have complied with Section 5.1, Section 5.2 and Section 5.3. For the purposes of this Section 4.4(3), the preparation and delivery of a directors’ circular pursuant to Section 99 of the Securities Act relating to an Acquisition Proposal shall be deemed to be a qualification, withdrawal or modification of the Board’s recommendation of this Agreement and the transactions contemplated hereby unless the Board expressly, and without qualification, unanimously reaffirms its recommendation of this Agreement and the transactions contemplated hereby in such disclosure.
- (4) If the expiry of the Matching Period referred to in Section 4.4(3)(iii) falls on a date which is less than ten Business Days prior to the Unitholder Meeting, Dundee REIT shall, at the request of GE, adjourn the Unitholder Meeting to a date that is not more than ten Business Days following such expiry date.
- (5) Dundee REIT acknowledges and agrees that each successive modification or amendment to any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of this Section 4.4.
- (6) During the Matching Period, GE shall have the right, but not the obligation, to propose to amend the terms of this Agreement. The Board will review in good faith any proposal by GE to amend the terms of this Agreement in order to determine (after consultation with its financial advisor and outside legal counsel) whether this Agreement and the transactions contemplated by this Agreement, taking into account GE’s proposed amendments, would, if such transactions were consummated in accordance with the terms thereof, result in the Superior Proposal ceasing to be a Superior Proposal. If the Board so determines, Dundee REIT will enter into an amending agreement with GE and the Purchaser reflecting such proposed amendment.
- (7) Dundee REIT shall promptly (and in any event within 24 hours of receipt) notify GE (at first orally and thereafter in writing) of any Acquisition Proposal, or proposal or inquiry that would reasonably be expected to lead to any Acquisition Proposal, or any modification or amendment to any Acquisition Proposal (including a copy of any written proposal and if the proposal is not in written form, a description of the material terms and conditions thereof, the identity of the Person making the proposal (and ultimate parent(s) thereof, if known) and such other details as GE may reasonably request), or any request for non-public information relating to Dundee REIT or any of its Subsidiaries in connection with any Acquisition Proposal or inquiry that would reasonably be expected to lead to any Acquisition Proposal, or for access to any properties, books or records of Dundee REIT or any of its Subsidiaries by any Person that informs Dundee REIT or such Subsidiary that it is considering making, or has made, any Acquisition Proposal, or inquiry that would reasonably be expected to lead to any Acquisition Proposal, in each case which any of Dundee REIT, any of its Subsidiaries or any officer, trustee, director, employee, agent or Representative of Dundee REIT or any of its Subsidiaries may

receive. Dundee REIT shall as soon as practicable keep GE fully informed of the status on a current basis, including any change or proposed change to any of the terms or conditions, of any such Acquisition Proposal.

- (8) Dundee REIT shall, and shall ensure that its officers and Trustees and its Subsidiaries and their respective officers, trustees and directors and any Representatives retained by it or them in connection herewith are aware of the provisions of this Section 4.4 (and Dundee REIT shall be responsible for any breach of this Section 4.4 by its and its Subsidiaries' officers, directors, trustees, employees, agents or Representatives).
- (9) Nothing contained in this Agreement shall limit in any way the obligation of Dundee REIT to convene and hold the Unitholder Meeting in accordance with Section 2.6 of this Agreement unless this Agreement is terminated in accordance with Article 5.
- (10) Nothing in this Agreement shall prevent the trustees or senior officers of Dundee REIT from calling and holding a meeting of Unitholders requisitioned by Unitholders in accordance with the Declaration of Trust or ordered to be held by a court in accordance with applicable Law.

Section 4.5 Pre-Closing Transactions

- (1) GE and the Purchaser shall have the option, in their sole discretion and without requiring the further consent of any of the Vendors, upon reasonable notice to Dundee REIT, to have Dundee REIT use (and to cause Dundee REIT to cause each of its Subsidiaries to use) its reasonable commercial efforts to, no more than five Business Days prior to the Closing, effect such reorganizations of the business, operations and assets of Dundee REIT and its Subsidiaries forming part of the Purchased Assets or the Assumed Liabilities as GE or the Purchaser may request (including securing cooperation of joint venture partners, co-owners and partners to the transfer of undivided interests in real property held in partnerships, co-ownerships or joint ventures to the partners, Vendors or Subsidiaries of the Vendors or joint venture participants of such partnerships or joint ventures) (collectively, **"Pre-Closing Transactions"**); provided, however, that (i) neither Dundee REIT nor any of its Subsidiaries shall be required to take any action in contravention of any organizational document or other Material Contract relating to any applicable Subsidiary for which consent has not been obtained, (ii) the completion of any Pre-Closing Transactions shall be contingent upon the receipt by Dundee REIT of a written notice from GE and the Purchaser confirming that all of the conditions set forth in Section 2.5(1) and Section 2.5(3) have been satisfied or waived and that GE and the Purchaser are prepared to proceed with the Closing (it being understood that in any event the Pre-Closing Transactions will occur and be deemed to have occurred prior to the Closing), (iii) Dundee REIT shall have determined that the conditions in Section 2.5(1) and Section 2.5(2) have been or are likely to be satisfied or waived; (iv) such actions (or the inability to complete such actions) shall not affect or modify in any respect the obligations of GE or the Purchaser under this Agreement, (v) the Pre-Closing Transactions shall not, in the opinion of Dundee REIT, acting reasonably, prejudice the Unitholders including with respect to the realization of Incremental Income, Gains and Recapture for which compensation is not provided pursuant to Section 4.5(3), holders of the Special Trust Units, holders of the Convertible Debentures or holders of the Exchangeable Debentures, and (vi) the Pre-Closing Transactions shall not impede, delay or prevent consummation of the transactions contemplated by this Agreement.
- (2) If requested by GE or the Purchaser in connection with any Pre-Closing Transaction, Dundee REIT shall and shall cause its Subsidiaries to, with respect to such Pre-Closing Transaction (a) grant reasonable access during normal business hours to the Assumed Properties to GE, the Purchaser, and their Representatives of such Assumed Properties designated by GE; and (b) execute and deliver to GE or the Purchaser, at the Closing, such conveyance documents and agreements and other certificates and affidavits as reasonably requested by GE and the Purchaser.
- (3) The Purchaser shall, upon request by Dundee REIT, advance to Dundee REIT all reasonable out-of-pocket costs to be incurred by Dundee REIT or, promptly upon request by Dundee REIT, reimburse Dundee REIT for all reasonable out-of-pocket costs incurred by Dundee REIT in connection with any actions taken by Dundee REIT in accordance with this Section 4.5. The costs captured in the preceding sentence shall be only the incremental costs of complying with this Section 4.5 as compared to a conveyance of the Purchased Assets to the Purchaser on Closing (excepting income or capital Taxes). The Purchaser shall indemnify and hold harmless Dundee REIT and its Subsidiaries from and against any and all Liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred by them in connection with or as a result of taking such actions (excepting income or capital Taxes). Where Dundee REIT or its Subsidiaries realizes

Incremental Income, Gains and Recapture in connection with any actions taken by Dundee REIT in accordance with this Section 4.5, Dundee REIT's obligations under this Section 4.5 shall be subject to the Purchaser paying an amount to Dundee REIT acceptable to Dundee REIT acting reasonably in respect of such Incremental Income, Gains and Recapture. Without limiting the foregoing, none of the representations, warranties or covenants of the Vendors shall apply to, or be breached or violated by, any of the transactions contemplated by this Section 4.5 or required by GE pursuant to this Section 4.5, and GE and the Purchaser hereby waive all such breaches or violations to the extent that such breaches or violations arise as a result of the Pre-Closing Transactions.

Section 4.6 Performance by GE and the Purchaser

GE unconditionally and irrevocably guarantees, and covenants and agrees to be jointly and severally liable with the Purchaser for, the due and punctual performance of each and every obligation of the Purchaser arising under this Agreement.

Section 4.7 Access to Information

- (1) Subject to Section 4.7(2) and applicable Law, upon reasonable notice, Dundee REIT shall (and shall cause each of its Subsidiaries to) afford to GE and its affiliates and their respective directors, officers, employees, counsel, accountants and other authorized representatives and advisors (including, for greater certainty, any investment banker, lawyer, accountant or environmental consultant) (collectively, "**Representatives**") access, during normal business hours from the date hereof and until the earlier of the Closing or the termination of this Agreement and upon reasonable prior notice to Dundee REIT, to its and its Subsidiaries' properties, Books and Records, Contracts and permits, approvals and licenses issued pursuant to Environmental Health or Safety Laws, as well as to its management personnel (and to its property managers and their personnel, who shall be instructed to co-operate), and, during such period, Dundee REIT shall (and shall cause each of its Subsidiaries and property managers to) furnish promptly to GE and its designees and their respective Representatives all information concerning it and its Subsidiaries' businesses, properties and personnel as GE may reasonably request. GE, upon reasonable notice to Dundee REIT, at GE's expense, shall also have the right to prepare or cause to be prepared surveys, inspections, engineering studies, environmental assessments and other tests, examination or studies (collectively, "**Studies**") with respect to the Company Properties, provided that access to the Company Properties for purposes of preparing such Studies does not unduly interfere with the ordinary course of business. Following each entry by GE with respect to such Studies, GE shall repair any damage to property resulting from GE's exercise of its right of entry and shall restore the property to a condition that is as near to its original condition as existed prior to any such Studies. GE shall have no Liabilities for any condition that existed prior to the Studies that is merely discovered by GE. GE and its designees and their respective Representatives may also meet with any Company Property tenant and any Governmental Authority for the sole purpose of gathering information in connection with the transactions contemplated by this Agreement; provided, however, GE must contact Dundee REIT at least two full Business Days in advance by telephone to inform Dundee REIT of GE's intended meeting and to allow Dundee REIT the opportunity to attend such meeting if Dundee REIT desires. Until the earlier of the Closing Date and the date that this Agreement is terminated, the Vendors will continue to allow access to GE and its Representatives to the Data Room Information, including through the Intralinks website, and will not remove any Data Room Information from the Intralinks website.
- (2) GE acknowledges that the information provided to it under Section 4.4(2)(ii) and Section 4.7(1) above will be non-public and/or proprietary in nature (the "**Confidential Information**") and will be subject to the terms of the Confidentiality Agreement. For greater certainty, except as contemplated by Section 2.7, the provisions of the Confidentiality Agreement shall survive the termination of this Agreement, other than the obligations of GE under the Confidentiality Agreement insofar as they relate to the Purchased Assets, the Assumed Liabilities and the Eastern Undertaking, which obligations shall terminate only to such extent upon the Closing, notwithstanding anything to the contrary contained therein or herein. Notwithstanding anything in this Agreement or the Confidentiality Agreement, GE, the Purchaser and their respective Representatives shall be entitled to disclose Confidential Information to nationally recognized title insurers in Canada and/or the United States who have entered into confidentiality agreements in form and substance satisfactory to Dundee REIT, acting reasonably, for purposes of securing title insurance over the Assumed Properties.

- (3) Subject to Section 4.2, no information or knowledge obtained at any time in any investigation pursuant to this Section 4.7 or otherwise shall affect or be deemed to modify any representation or warranty contained in this Agreement or the conditions to the obligations of the parties to complete the transactions contemplated hereby.

Section 4.8 Employees

- (1) The Purchaser will, effective the opening of business on the Closing Date, offer in writing to employ on and after the Closing Date all of the In-Scope Employees who are actively at work or on vacation on the Closing Date on comparable terms and conditions of employment no less favourable in the aggregate than are in effect on the date hereof. The Purchaser will, effective the date the employee returns to active work, offer in writing to employ on and after such return to active work date, In-Scope Employees who are not actively at work, other than by reason of vacation, on the Closing Date on comparable terms and conditions of employment no less favourable in the aggregate than are in effect on the date thereof.
- (2) The Purchaser assumes and will discharge all Liabilities for wages (from and after the Closing), severance pay, termination pay, notice of termination of employment or pay in lieu of such notice or other employee benefits, including vacation pay in respect of all In-Scope Employees employed by the Purchaser (“**Transferred Employees**”) and will indemnify and save the Vendors and their Subsidiaries harmless in connection therewith.
- (3) The Vendors will indemnify and save GE and the Purchaser harmless from Liabilities for wages, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee benefits or claims, including vacation pay, in respect of employees of the Vendors and their Subsidiaries that are not Transferred Employees.
- (4) For greater certainty, Dundee REIT and its Subsidiaries shall be responsible for all claims incurred prior to the Closing Date by the Transferred Employees (and their eligible spouses, beneficiaries and dependants) under the Employee Plans, subject to and in accordance with their terms. The Purchaser shall be responsible under the employee benefit plans it establishes, subject to and in accordance with their terms, for all claims incurred by the Transferred Employees (and their eligible spouses, beneficiaries and dependants) under such plans on and after the Closing Date. For the purposes of this Section 4.8(4), a claim shall be deemed to have been incurred: (i) with respect to all death or dismemberment claims, on the actual date of death or dismemberment; (ii) with respect to all health care, vision and dental claims, on the date the service or supply was purchased or received by the Transferred Employee (or his or her eligible spouse, beneficiary or dependant); and (iii) with respect to all income replacement claims (including recurrent claims), on the date of occurrence of the injury or other event that renders the employee eligible.
- (5) For greater certainty, Dundee REIT and its Subsidiaries shall remain solely liable for all Liabilities in respect of Transferred Employees under each Employee Plan that is a registered pension plan and the Purchaser shall have no Liability with respect to any such plan.
- (6) Dundee REIT will not, and will cause its Subsidiaries not to, at any time until 18 months after the Closing Date, solicit or hire, directly or indirectly, any officers or employees employed by GE or any Affiliate thereof in connection with the Canadian real estate business of GE or its Affiliates.
- (7) GE and the Purchaser will not at any time until 18 months after the Closing Date, solicit or hire, directly or indirectly, any officers of Dundee REIT or any Affiliate thereof or any employees employed by Dundee REIT or any Affiliate thereof.
- (8) Notwithstanding Section 4.8(6) and Section 4.8(7), in the event any officers or any employees of a party have indicated an intention to terminate their employment relationship with that party, the other party shall be at liberty to hire such officers or employees with the prior written approval of the first party, which approval may be withheld by such first party in its sole, absolute and unfettered discretion.
- (9) GE and the Purchaser acknowledge that at or prior to Closing Dundee REIT or one of its Subsidiaries will pay up to \$5,000,000 to Dundee Realty Corporation as a reserve in connection with certain severance obligations that may become payable to the Departing Dundee Management Employees.

Section 4.9 No Personal Liability

Notwithstanding anything to the contrary contained in this Agreement, each of the parties hereto acknowledges that the obligations of Dundee REIT under this Agreement shall not be personally binding upon any of its trustees

or on its registered or beneficial holders of Units as such, and that resort shall not be had to, nor shall recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or Liability of the parties arising hereunder, and recourse for such indebtedness, obligations or Liabilities shall be limited to, and satisfied only out of, the respective assets of Dundee REIT. Any obligation of Dundee REIT set out in this Agreement shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of its trustees in their capacity as Trustees and to the extent of the assets of Dundee REIT only.

Section 4.10 Announcement

GE and Dundee REIT shall consult with each other before issuing any press release, news release or otherwise making any filings or public statements with respect to this Agreement and the transactions contemplated herein and shall not issue such press release without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed, in each case, subject to applicable Law and the requirements of any applicable stock exchange and the exercise of fiduciary duties, as may be appropriate.

Section 4.11 Planning Act

This Agreement shall only be effective to create an interest in the Assumed Properties if the subdivision control provisions of the *Planning Act* (Ontario), as amended, are complied with.

Section 4.12 Bulk Sales Act

The Purchaser hereby waives compliance with the provisions of the *Bulk Sales Act* (Ontario) and any other applicable provincial bulk sales legislation to the extent the same may pertain to the transactions contemplated hereby.

Section 4.13 Tax Matters

- (1) If permitted by applicable Laws in respect of Taxes, the Purchaser and the Vendors shall (and shall cause each of their Subsidiaries to) jointly elect under subsection 167(1) of Part IX of the *Excise Tax Act* (Canada), and any equivalent or corresponding provision under any applicable provincial or territorial Laws in respect of Taxes imposing a similar value added or multi-staged Tax, that no Tax be payable with respect to the purchase and sale of the Purchased Assets under this Agreement. The Purchaser and the Vendors shall make such election(s) in prescribed form containing prescribed information and the Purchaser shall file such election(s) in compliance with the requirements of the applicable Laws in respect of Taxes.
- (2) The Vendors covenant and agree that, until the earlier of the Closing and the termination of this Agreement, they and their Subsidiaries shall (a) duly and timely file all Tax Returns required to be filed by them, which shall be correct and complete in all material respects and (b) pay, withhold, collect and remit in a timely fashion all amounts required to be so paid, withheld, collected or remitted.
- (3) Each of the Vendors shall, and shall cause their Subsidiaries which are conveying Purchased Assets to, deliver to Purchaser a certificate issued by the Ontario Ministry of Finance pursuant to section 6 of the *Retail Sales Tax Act* (Ontario) and the equivalent applicable Laws in respect of Taxes in each of the other provinces of Canada which indicates that the relevant seller has paid all retail sales tax or other Taxes collectable or payable under such Act up to the Closing or has entered into an arrangement satisfactory to such Minister for the payment of such Taxes.
- (4) Dundee REIT will not take any action or permit any of its Subsidiaries to take any action that would reasonably be expected to cause Dundee REIT, at any time prior to Closing, to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended on or prior to the date of taking such action, and Dundee REIT will otherwise take all reasonable steps and ensure that each of its Subsidiaries takes all reasonable steps to ensure that the definition of “SIFT trust” does not apply to Dundee REIT at any time prior to Closing, in each case assuming the transactions contemplated by this Agreement, other transactions, exchanges, conversions, issuances, facts, changes, effects, events, developments, occurrences or set of circumstances that can reasonably be expected to occur, exist or be undertaken by or with respect to Dundee REIT or a Subsidiary prior to January 1, 2008 and a new issuance of REIT Units, Series A with a value when issued of \$20 million and for a subscription amount of \$20 million had occurred immediately prior to the taking of such action or the Closing Date, as the case may be (assuming

all issuances of REIT Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT Units or other such convertible or exchangeable securities constitute growth for purposes of such “normal growth guidelines” other than the issuance of REIT Units, Series A pursuant to the Convertible Debentures and the issuance of REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006 and valuing the REIT Units issued on each issuance of REIT Units at the subscription price received where such issuance was for cash proceeds and otherwise at the closing trading price of REIT Units, Series A on the date of such issuance).

- (5) Dundee REIT will not take any action or permit any of its Subsidiaries to take any action that would reasonably be expected to cause Dundee REIT, at any time prior to January 1, 2008, to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended on or prior to the date of taking such action, and Dundee REIT will otherwise take all reasonable steps and ensure that each of its Subsidiaries takes all reasonable steps to ensure that the definition of “SIFT trust” does not apply to Dundee REIT at any time prior to January 1, 2008, in each case having regard to transactions, exchanges, conversions, issuances, facts, changes, effects, events, developments, occurrences or set of circumstances that could reasonably be expected to occur, exist or be undertaken by or with respect to Dundee REIT or a Subsidiary prior to January 1, 2008 (assuming that a new issuance of REIT Units, Series A will occur on December 31, 2007 with a value when issued of \$20 million and for a subscription amount of \$20 million and that all issuances of REIT Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT Units or other such convertible or exchangeable securities constitute growth for purposes of such “normal growth guidelines” other than the issuance of REIT Units, Series A pursuant to the Convertible Debentures and the issuance of REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006 and valuing the REIT Units issued on each issuance of REIT Units at the subscription price received where such issuance was for cash proceeds and otherwise at the closing trading price of REIT Units, Series A on the date of such issuance).
- (6) Dundee REIT will not take any action or permit any of its Subsidiaries to take any action that could reasonably be expected to prevent or materially impair the ability of Dundee REIT from qualifying as a “real estate investment trust” for purposes of the Tax Act immediately after Closing, assuming that the taxation year or fiscal period, as the case may be, of Dundee REIT and each of its Subsidiaries had ended immediately before Closing and that the transactions described in Section 2.5(3)(h) of the Disclosure Letter were undertaken by Dundee REIT and its Subsidiaries immediately before Closing.
- (7) With respect to all distributions made to Unitholders in the period commencing on January 1, 2007 and ending at the time immediately before the Units are acquired by the Purchaser (the “**Pre-Closing Distributions**”), the parties agree that Dundee REIT will take all necessary steps to evidence and confirm irrevocably that a sufficient proportion of the Pre-Closing Distributions represented the payment of income and net realized capital gains for trust and income tax purposes (the “**Income and Gain Payments**”) to the Unitholders that received the Pre-Closing Distributions, such that Dundee REIT would not be liable for tax under Part I of the Tax Act for its taxation year ending on December 31, 2007 (the “**Current Taxation Year**”) based on a reasonable determination of the amount that would have been Dundee REIT’s income for trust and income tax purposes for the period commencing on January 1, 2007 and ending at the time immediately before the Purchased Units are acquired by the Purchaser had the Current Taxation Year ended at the time immediately before the Purchased Units are acquired by the Purchaser. It is further agreed that Dundee REIT, when computing its income for the Current Taxation Year, is entitled to and will claim a deduction pursuant to subsection 104(6) of the Tax Act in an amount equal to the Income and Gain Payments, and that such amount will be included in the income and net realized capital gains for tax purposes of the Unitholders that received the Pre-Closing Distributions. All applicable tax information returns (including T3 slips) shall be prepared in accordance with this provision.
- (8) The parties agree that Dundee REIT will take all necessary steps to evidence and confirm irrevocably that all Transaction Income, Gains and Recapture will be treated as having been paid in the Current Taxation Year to Unitholders whose Units have been redeemed or purchased by Dundee REIT in connection with the transactions contemplated by this Agreement. It is further agreed that Dundee REIT, when computing its income for the Current Taxation Year, is entitled to and will claim a deduction pursuant to subsection 104(6) of the Tax Act in an amount equal to the Transaction Income, Gain and Recapture, and that such amount will be included in the income and net realized capital gains for tax purposes of the Unitholders whose Units have been redeemed or

purchased by Dundee REIT in connection with the transactions contemplated by this Agreement. All applicable tax information returns (including T3 slips) shall be prepared in accordance with this provision.

- (9) Dundee REIT covenants that, after Closing, it will and will ensure each of its Subsidiaries will except (i) with the prior written consent of GE, (ii) as expressly contemplated by this Agreement or (iii) as disclosed in Section 4.1 or Schedule SM of the Disclosure Letter:
- (a) prior to January 1, 2008, not split, consolidate, classify or reclassify any of the outstanding Units or other equity interests of Dundee REIT or any of its Subsidiaries, nor declare, set aside or pay any distributions in any Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such Units or other such convertible or exchangeable securities;
 - (b) prior to January 1, 2008, not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose the sale, grant, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of, any Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such Units or other such convertible or exchangeable securities, except for (A) the issuance of (i) REIT Units, Series A pursuant to the Convertible Debentures, (ii) REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006, and (iii) REIT Units, Series A to Dundee Corporation or an Affiliate on the conversion by them of REIT Units, Series B to the extent necessary to prevent Dundee Corporation from breaching its obligations to deliver REIT Units, Series A pursuant to the Exchangeable Debentures after reasonable commercial efforts have been taken by Dundee Corporation to otherwise obtain such REIT Units, Series A and otherwise satisfy such obligations (provided that issuances of REIT Units, Series A pursuant to this clause (A)(iii) are not permitted if it could reasonably be considered that a Western MAC as described in clause (iv) of the definition of Western Mac would have occurred assuming that a new issuance of REIT Units, Series A will occur on December 31, 2007 with a value when issued of \$20 million and for a subscription amount of \$20 million and that all issuances of REIT Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT Units or other such convertible or exchangeable securities constitute growth for purposes of the “normal growth guidelines” referred to in the definition of Western MAC other than the issuance of REIT Units, Series A pursuant to the Convertible Debentures and the issuance of REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006 and valuing the REIT Units issued on each issuance of REIT Units at the subscription price received where such issuance was for cash proceeds and otherwise at the closing trading price of REIT Units, Series A on the date of such issuance) and (B) the redemption of Units pursuant to section 5.24 of the Declaration of Trust; and
 - (c) prior to January 1, 2008, not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose the sale, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of any securities of any Subsidiary of Dundee REIT, or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such securities or securities of Dundee REIT or other such convertible or exchangeable securities, except for the issuance of (A) in the ordinary course of business consistent with past practice, securities not convertible into or exchangeable or exercisable for any securities of Dundee REIT or other securities convertible into or exchangeable or exercisable for securities of Dundee REIT, and (B) shares, units or other securities of direct or indirect Subsidiaries of Dundee REIT to other direct or indirect Subsidiaries of Dundee REIT or to Dundee REIT.
- (10) The parties will cooperate and use their reasonable commercial efforts to obtain a comfort letter from the Department of Finance or an advance income tax ruling from the Canada Revenue Agency (any such document being a “**Tax Confirmation**”) as promptly as practical after the date hereof, confirming certain matters relating to the status of a partnership or trust as a SIFT partnership or SIFT trust for purposes of the Tax Act, as amplified by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended. All determinations with respect to the process for obtaining any such Tax Confirmation shall be made jointly by the parties, each acting reasonably, in good faith and reasonably taking into account the interests of the other parties. Provided that any such Tax Confirmation is in a form and substance that is reasonably acceptable to each of the parties and that the parties are otherwise prepared to rely on such Tax Confirmation,

each party undertakes to consider any amendments to this Agreement relating to Tax matters and any revision to the steps contemplated in this Agreement as may be requested by the other party. Each party shall be able to accept or reject any such proposed amendments or revisions in its sole discretion.

Section 4.14 CMBS Properties

- (1) Within 5 Business Days after the date hereof, the Vendors and the Purchaser shall readjust the calculation of the Working Capital and, if required, the Cap Ex and Development Amount and revise Schedules CD and WC of the Disclosure Letter accordingly.
- (2) The Vendors and the Purchaser agree to make such other changes to this Agreement and the Disclosure Letter as may be required to reflect the acquisition by the Purchaser of the CMBS Properties, such as, without limiting the generality of the foregoing, revising the list of the In-Scope Employees.

ARTICLE 5

TERMINATION

Section 5.1 Termination

- (1) This Agreement may be terminated whether before or after the Unitholder Approval (except in the case of Section 5.1(1)(f) which termination rights shall only be available prior to the Unitholder Approval) by:
 - (a) the mutual written agreement of each of the parties;
 - (b) by either Dundee REIT or GE, if any Law makes, or any Governmental Authority shall have issued an order, decree or injunction making, the consummation of the transactions contemplated hereby illegal or otherwise permanently prohibited, and such order, decree or injunction shall have become final and non-appealable;
 - (c) by GE, if (i) Dundee REIT or any of the other Vendors shall not have complied with or performed in all material respects any covenant or agreement of such party under this Agreement, or (ii) any representation or warranty of Dundee REIT or any of the other Vendors contained in this Agreement (including Schedule B) (without giving effect to any materiality or Big MAC qualifiers contained therein) shall have been or become untrue such that the conditions set forth in Section 2.5(3)(b) would not be satisfied;
 - (d) by Dundee REIT, if (i) GE or the Purchaser shall not have complied with or performed in all material respects any covenant or agreement of such party under this Agreement, or (ii) any representation or warranty of the Purchaser contained in this Agreement (including Schedule C) (without giving effect to any materiality qualifiers contained therein) shall have been or become untrue, such that the conditions set forth in Section 2.5(2)(b) would not be satisfied;
 - (e) either Dundee REIT or GE, after the Outside Date if the Closing has not occurred by then, provided, however, that the right to so terminate under this Section 5.1(1)(e) shall not be available to a party if such party's or such party's Subsidiaries' actions or failure to act has been a principal cause of or resulted in the failure of the Closing to occur on or before the Outside Date and such actions or failure to act constitutes a material breach of this Agreement;
 - (f) Dundee REIT, in connection with Dundee REIT entering into a Proposed Agreement with respect to, or withdrawing or changing its recommendation of the transactions contemplated hereby as a result of, a Superior Proposal, in each case in accordance with Section 4.4, provided that no termination under this Section 5.1(1)(f) shall be effective unless and until the Vendors shall have paid the Termination Payment to GE in accordance with Section 5.2; provided, however, that Dundee REIT shall call and hold the Unitholder meeting even if the Board has effected a change in its recommendation in accordance with Section 4.4 and terminated this Agreement pursuant to this Section 5.1(1)(f) (which obligation will survive termination of this Agreement until the conclusion of the Unitholder Meeting);
 - (g) GE, if (i) the Board or any committee thereof shall have failed to unanimously recommend or shall have withdrawn, modified or changed in a manner adverse to GE and the Purchaser its unanimous approval or recommendation of this Agreement or any of the transactions contemplated hereby (or publicly announces

its intention to do, or that it has done, any of the foregoing); (ii) the Board or any committee thereof shall have failed to unanimously publicly affirm and/or reaffirm (within three Business Days of having been requested to do so by the Purchaser) a recommendation that Unitholders approve the transactions contemplated hereby and vote in favour of the Unitholder Resolution; (iii) Dundee REIT shall have failed to fulfill its obligations to call and conduct the Unitholder Meeting in accordance with Section 2.6; or (iv) Dundee REIT shall have breached its obligations under Section 4.4;

- (h) either Dundee REIT or GE, if the Unitholder Approval shall not have been obtained at the Unitholder Meeting; provided, however, that the right to so terminate under this Section 5.1(1)(h) shall not be available to any party whose failure or whose Subsidiaries' failure to comply with this Agreement was the cause of such failure;
 - (i) by GE, if a Big MAC has occurred; or
 - (j) by GE, on or before June 18, 2007 if it is not satisfied with the results of its review of title to the Assumed Properties.
- (2) If the termination rights are exercised in accordance with the foregoing provisions of this Section 5.1, no party shall have any further Liability to perform its obligations under this Agreement, except as set forth in this Article 5, the provisions of which shall survive the termination of this Agreement.

Section 5.2 Termination Payment Events

Notwithstanding any other provision in this Agreement relating to the payment of fees, if:

- (a) Dundee REIT shall have terminated this Agreement pursuant to Section 5.1(1)(f);
- (b) GE shall have terminated this Agreement pursuant to Section 5.1(1)(g);
- (c) GE shall have terminated this Agreement pursuant to Section 5.1(1)(c) and the breach giving rise to such right to terminate was wilful; or
- (d) Dundee REIT or GE shall have terminated this Agreement pursuant to Section 5.1(1)(c) (where the breach giving rise to the right to terminate was not wilful), Section 5.1(1)(e) or Section 5.1(1)(h) and (i) prior to such termination, a Person (or any Representative of a Person) had publicly announced an Acquisition Proposal or any intention to make an Acquisition Proposal, and (ii) within 12 months of any such termination, Dundee REIT or its Subsidiaries shall consummate an Acquisition Proposal or enter into an agreement with respect to an Acquisition Proposal,

then Dundee REIT shall pay, or cause to be paid, less any amounts actually paid by Dundee REIT pursuant to Section 5.3 and subject to any applicable withholding taxes, the Termination Payment to GE (or as it may direct), (i) in the case of a termination pursuant to Section 5.2(a) above, prior to such termination, (ii) in the case of a termination pursuant to Section 5.2(b) or Section 5.2(c) above, within two Business Days of such termination; or (ii) in the case of a termination pursuant to (d) above, upon the earlier to occur of the execution of such definitive agreement or consummation of the transaction, in each case by bank draft or wire transfer of immediately available funds to an account designated by GE. If this Agreement is terminated in accordance with the foregoing provisions of Section 5.2, the Vendors may terminate the Unitholder Meeting.

Section 5.3 Expense Reimbursement Events

Dundee REIT shall pay, or cause to be paid, \$2.75 million to GE by bank draft or wire transfer of immediately available funds to an account designated by GE on account of expenses of GE, the Purchaser and their affiliates incurred in connection with the transactions contemplated if:

- (a) GE or Dundee REIT shall have terminated this Agreement pursuant to Section 5.1(1)(h); or
- (b) GE shall have terminated this Agreement pursuant to Section 5.1(1)(i);

such payment to be made within two Business Days of such termination.

Section 5.4 Liquidated Damages

In the event the Termination Payment is paid to GE, no other amounts will be due and payable as damages or otherwise by the Vendors and each of GE and the Purchaser hereby accepts that the Termination Payment as the maximum aggregate amount that the Vendors shall be required to pay in lieu of any damages or any other payment

which GE and the Purchaser may be entitled to; provided, however, that this limitation shall not apply in the event of fraud or a wilful breach of this Agreement by the Vendors or any of their respective Representatives. Each of GE and the Purchaser agrees that the Termination Payment constitutes payment of liquidated damages which are a genuine anticipated assessment or estimate of the damages which it will suffer or incur as a result of the event giving rise to such damages and resulting in the termination of this Agreement and does not and will not constitute payment of a penalty.

Section 5.5 Remedies

The parties hereto acknowledge and agree that an award solely of money damages would be inadequate for any breach of this Agreement by any party or its Representatives and that any such breach would cause the non-breaching party irreparable harm. Accordingly, the parties hereto agree that, in the event of any breach or threatened breach of this Agreement by one or more of the parties, the non-breaching parties will also be entitled, without the requirement of posting any bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity or otherwise to the parties.

ARTICLE 6

GENERAL

Section 6.1 Notices

(1) All notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by telecopy, in each case addressed to the particular party at:

(a) If to the Vendors, at:

Dundee Real Estate Investment Trust
30 Adelaide Street East
Toronto, Ontario
M5C 3H1
Attention: Chief Executive Officer
Facsimile No.: (416) 365-3545

with a copy (which shall not constitute notice) to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6100, P.O. Box 50
Toronto, Ontario
M5X 1B8
Attention: Douglas Marshall/George Valentini
Facsimile No.: (416) 862-6666

(b) If to GE or the Purchaser, at:

c/o GE Real Estate
Suite 800, P.O. Box 14
123 Front Street West
Toronto, Ontario
M5J 2M2
Attention: Katherine Lee
Facsimile No.: (416) 842-1725

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6
Attention: Fred Rubinoff
Graham Gow
Facsimile No.: (416) 868-0673

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or telecopying thereof.

Section 6.2 Assignment

Each of GE and the Purchaser may assign all or any part of its rights and/or obligations under this Agreement to one or more Affiliates of GE (provided that each such Affiliate remains an Affiliate of GE until Closing), but, if such assignment takes place, GE and the applicable Purchaser shall continue to be liable jointly and severally with the assignee for any obligations hereunder. This Agreement shall not be otherwise assignable (by operation of law or otherwise) by any party hereto without the prior written consent of the other party hereto, which consent may be

unreasonably withheld in such party's discretion. Any purported assignment made in contravention of this Agreement will be null and void.

Section 6.3 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns and no third party shall have any rights hereunder.

Section 6.4 Waiver and Modification

The Vendors, GE and the Purchaser (in their sole discretion) may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. Any such waiver or consent to be effective, must be in writing executed by the party granting such waiver or consent. No waiver shall operate as an ongoing waiver or as a waiver of any other matter whatsoever.

Section 6.5 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, before and after Closing, at the request of the other party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof, including the conveyance of the Purchased Assets to the Purchaser.

Section 6.6 Expenses

Except as otherwise expressly provided in this Agreement and the Disclosure Letter, the parties agree that all out-of-pocket expenses of the parties relating to the transactions contemplated hereby, including legal fees, accounting fees, filing fees in connection with obtaining Competition Act clearance, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs, shall be paid by the party incurring such expenses. If the Closing occurs, the Purchaser will be responsible for two-thirds of all Transaction Costs and Dundee REIT will be responsible for one-third of all Transaction Costs; provided, however, that Dundee's share of the Transaction Costs shall be reduced by the aggregate amount of the first distribution paid by Dundee REIT on the Purchased Units and further provided that each of GE and Dundee REIT will be responsible for the fees and expenses in excess of the amounts listed in the Disclosure Letter only as indicated on such Disclosure Letter. Each of the Purchaser and Dundee REIT agrees to make such payments to the other as may be required to give effect to this allocation of the Transaction Costs promptly after Closing. For purposes of this Section 6.6, "**Transaction Costs**" means the actual fees and expenses for the items listed in the Disclosure Letter incurred by GE, the Purchaser and the Vendors in connection with the transactions contemplated hereby up to the maximum total dollar amount indicated in the Disclosure Letter.

Section 6.7 Risk of Loss

- (1) Until Closing, the Purchased Assets will remain at the risk of the Vendors and the Vendors will maintain the policies of insurance in accordance with Section 4.1(1)(n) in respect of loss or damage to or any other casualty in respect of the Purchased Assets. Subject to Section 5.1(1)(i), if any destruction or damage occurs to the Purchased Assets on or before Closing or if any or all of the Purchased Assets are appropriated, expropriated or seized by Governmental Authority before the Closing, the Vendors will forthwith give notice thereof to the Purchaser and GE and the Purchaser and GE will have the option, exercisable by notice given within five Business Days of the Vendors giving the notice of such destruction, damage, appropriation, expropriation or seizure:
 - (a) to reduce the Purchase Price by an amount equal to the cost of repair or, if destroyed or damaged beyond repair or if appropriated, expropriated or seized, by an amount equal to the amount allocated to such Purchased Assets as set out in Schedule 2.1(4) to the Disclosure Letter so damaged or destroyed or appropriated, expropriated or seized and to otherwise complete the transactions contemplated by this Agreement; or

- (b) to complete the purchase without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for destruction or damage or appropriation, expropriation or seizure will be payable to the Purchaser (less a reimbursement for any amounts paid to collect such proceeds and any amounts required to pay any Funded Debt applicable to such Purchased Assets) and all right and claim of the Vendors to any such amounts not paid by the Closing Date will be assigned to the Purchaser.
- (2) If the Purchaser elects to reduce the Purchase Price pursuant to Section 6.7(1)(a), the Vendors and the Purchaser will at the Closing determine the amount of the reduction to the extent that it is then determinable using the amounts allocated in Section 2.1(4) and will undertake to adjust such amount after the Closing Date, if necessary.

Section 6.8 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Section 6.9 Governing Laws

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

Section 6.10 Time of Essence

Time shall be of the essence in this Agreement.

Section 6.11 Counterparts and Facsimile

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be effective as delivery of a manually executed copy of this Agreement by such party.

(Remainder of page intentionally left blank.)

SCHEDULE A DEFINITIONS

“**Accounting Referee**” has the meaning set out in Section 2.2(4).

“**Acquisition Proposal**” means any proposal or offer (written or oral) made by any Person other than the Purchaser (or any affiliate of the Purchaser or any Person acting jointly and/or in concert with the Purchaser or any affiliate of the Purchaser) with respect to the acquisition, directly or indirectly, of assets, securities or ownership interests of or in Dundee REIT or any of its Subsidiaries (or rights or interests therein or thereto) representing 20% or more of the fair market value of the assets of Dundee REIT and its Subsidiaries taken as a whole or contributing 20% or more to the consolidated revenues or net income of Dundee REIT, in a single transaction or a series of transactions, or of equity interests (or securities exchangeable or exercisable for or convertible into equity interests) in Dundee REIT or its Subsidiaries representing a 20% or greater economic or voting interest in Dundee REIT and its Subsidiaries taken as a whole, in a single transaction or a series of transactions pursuant to any merger, amalgamation, tender offer, share exchange, business combination, liquidation, dissolution, recapitalization, take-over or non-exempt issuer bid, amendment to the Declaration of Trust or Dundee Limited Partnership Agreement, redemption of units, extraordinary distribution, sale, lease, exchange, mortgage, pledge, transfer, purchase or issuance as consideration or similar transaction or series of transactions involving Dundee REIT or any of such Subsidiaries.

“**Affiliate**” or “**affiliate**” has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities Administrators.

“**Applicable Privacy Laws**” has the meaning set out in paragraph 28 of Schedule B.

“**Agreement**” means this purchase agreement (including the Schedules hereto) as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“**Assumed Liabilities**” means the (i) Funded Debt as at the Closing Date, (ii) accounts payable and accrued liabilities of Dundee Properties LP and its Subsidiaries, determined in accordance with GAAP, that relate exclusively to the Purchased Assets as at the Closing Date and to the extent reflected in the Closing Working Capital, (iii) Liabilities owing by Dundee Properties LP and its Subsidiaries pursuant to Material Contracts that relate exclusively to the Purchased Assets and are listed on Schedule A to the Disclosure Letter and immaterial Contracts to which Dundee Properties LP or any of its Subsidiaries is a party that relate exclusively to the Purchased Assets and that relate to occurrences after Closing, (iv) Liabilities relating to Authorizations that relate exclusively to the Purchased Assets and that relate to occurrences after Closing, (v) Permitted Encumbrances, (vi) all other Liabilities that relate exclusively to the Purchased Assets to the extent reflected in the Closing Working Capital or that relate to occurrences after Closing, and (vii) Liabilities relating to In-Scope Employees referred to in Section 4.8(2).

“**Assumed Properties**” means all freehold and leasehold property (including Ground Leases) and interests therein (including JV Interests and Co-Owned Interests) described in Schedule A to the Disclosure Letter, all rights of way, licences or rights of occupation, easements or other similar rights of Dundee Properties LP or its Subsidiaries in connection with such freehold and leasehold property and all plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of such freehold and leasehold property.

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, clearance, licence or similar authorization of any Governmental Authority having jurisdiction over the Person.

“**Big MAC**” means, with respect to Dundee REIT and its Subsidiaries, any fact, change, effect, event, development, occurrence or set of circumstances, that individually or in the aggregate with all other facts, changes, effects, events, developments, occurrences or sets of circumstances, (i) is materially adverse or would reasonably be expected to be materially adverse to the business, affairs, assets, properties operations, results of operations, prospects or condition (financial or otherwise) of (A) Dundee REIT and its Subsidiaries, taken as a whole, or (B) the Eastern Undertaking, taken as a whole, or (ii) will, or would reasonably be expected to, prevent or materially impair the ability of the parties to consummate the transactions contemplated hereby before the Outside Date, in each case other than any fact, change, effect, event, development, occurrence or set of circumstances resulting solely from (1) the announcement of the execution of this Agreement or the transactions contemplated hereby, (2) the Canadian economy or securities or currency markets in general, (3) changes adversely affecting the mid-sized urban and suburban office and industrial property leasing and management industry in general in Canada, (4) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism, (5) changes in

applicable Law or regulations or in Canadian generally accepted accounting principles (other than Laws relating to Taxes or the interpretation thereof), (6) any natural disaster, (7) any change in the trading prices of the Units solely as a result of the matters referred to in clauses (2) through (6), or (8) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions, in the case of each of clauses (2) through (6), to the extent that they do not affect Dundee REIT or its Subsidiaries, taken as a whole, in a disproportionate manner relative to other real estate investment trusts in the relevant geographic areas.

“**Board**” has the meaning set forth in the recitals to this Agreement.

“**Books and Records**” means all books and records of Dundee REIT and its Subsidiaries, including financial, personnel, corporate, operations and sales books, books of account, sales and purchase records, lists of suppliers, customers and tenants, formulae, business reports, plans and projections, permits, licenses, approvals and all other documents, surveys, plans, files, records, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media.

“**Business Day**” means any day on which commercial banks are generally open for business both in Toronto, Ontario and New York, New York USA other than a Saturday, a Sunday or a day observed as a holiday either in Toronto, Ontario or New York, New York USA under applicable Law.

“**Cap Ex and Development Amount**” means the aggregate amount of (i) capital expenditures incurred and paid for by Dundee Properties LP and its Subsidiaries after the date hereof and prior to Closing in the ordinary course of business in connection with the Eastern Undertaking up to a cumulative maximum of \$3,500,000 and not in excess of \$100,000 for any single capital expenditure or group of related capital expenditures, in each case unless otherwise agreed in writing by GE, and (ii) development expenses incurred and paid for by Dundee Properties LP and its Subsidiaries after the date hereof and prior to Closing in connection with the Eastern Undertaking in accordance with (and not in excess of) the schedule of development expenses attached as Schedule CD to the Disclosure Letter.

“**Cash Purchase Price**” has the meaning set out in Section 2.1(3).

“**Circular**” means the notice of Unitholder Meeting and the accompanying management information circular of Dundee REIT to be sent to Unitholders in connection with the Unitholder Meeting, as the same may be amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“**Clean-Up**” means all actions required under applicable Environmental, Health or Safety Law to contain, investigate, clean-up, remove, treat or remediate Hazardous Materials so that they do not migrate or endanger human health or the environment.

“**Closing**” has the meaning set out in Section 2.4.

“**Closing Date**” has the meaning set out in Section 2.4.

“**Closing Date Balance Sheet**” has the meaning set out in Section 2.2(1).

“**Closing Funded Debt**” has the meaning set out in Section 2.3(1).

“**Closing Funded Debt Statement**” has the meaning set out in Section 2.3(1).

“**Closing Statement**” has the meaning set out in Section 2.2(1).

“**Closing Working Capital**” has the meaning set out in Section 2.2(1).

“**Closing Working Capital Documents**” has the meaning set out in Section 2.2(3).

“**CMBS Properties**” means, collectively, the following five properties municipally known as (i) Central Webb — 16940 110th Avenue, Edmonton, (ii) Highfield Industrial Building — 4344-12th St, Calgary, (iii) Office 99 — 4603 99th Street, Edmonton, (iv) Parkway East I — 9451-9459 49th St., Edmonton and (v) Parkway East II — 9503-9527 49th St., Edmonton.

“**Company Properties**” means, collectively, the Owned Properties and the Leased Properties.

“**Competition Act**” means the *Competition Act* (Canada), as amended.

“**Competition Commissioner**” means the Commissioner of Competition appointed pursuant to the Competition Act.

“**Confidential Information**” has the meaning set out in Section 4.7(2).

“**Confidentiality Agreement**” means the confidentiality agreement between GE Real Estate, a division of GE Commercial Finance, and Dundee REIT dated March 12, 2006.

“Contract” means contracts, licences, leases, ground leases, co-ownership agreements, limited partnership agreements, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which a Vendor or a Subsidiary of any Vendor is a party or by which a Vendor or a Subsidiary of any Vendor is bound or under which a Vendor or a Subsidiary of any Vendor has, or will have, any Liability (in each case, whether written or oral, express or implied).

“Convertible Debentures” means, collectively, the Series 2005-1 5.7% convertible unsecured subordinated debentures of Dundee REIT due March 31, 2005 and the 6.5% convertible unsecured subordinated debentures of Dundee REIT due June 30, 2014.

“Co-Owned Interests” means, collectively, the co-owned interests listed on Schedule A to the Disclosure Letter.

“Data Room Information” means the documents made available to the Purchaser or the Purchaser’s counsel on or before June 3, 2007 as described in the index to an IntraLinks website, a copy of which is annexed to the Disclosure Letter, together with the documents provided to the Purchaser or the Purchaser’s counsel on or before June 3, 2007, including written responses to requests for information made by the Purchaser or Purchaser’s counsel provided by Dundee REIT or its Subsidiaries, their respective employees or counsel or financial advisors to Dundee REIT and its Subsidiaries.

“Data Subjects” has the meaning set out in paragraph 28 of Schedule B.

“Debentureholders” means the registered holders of the outstanding Convertible Debentures.

“Declaration of Trust” means the amended and restated declaration of trust of Dundee REIT dated May 16, 2006.

“Deferred Unit Incentive Plan” means Dundee REIT’s deferred unit incentive plan.

“Deferred Unitholders” means the holders of the outstanding Deferred Units.

“Deferred Units” means deferred trust units and income deferred trust units issued or issuable pursuant to the Deferred Unit Incentive Plan.

“Departing Dundee Management Employees” means those employees of the Vendors and their Subsidiaries listed on Schedule A of the Disclosure Letter.

“Director of Investments” means the Director of Investments appointed pursuant to the Investment Canada Act.

“Disclosure Letter” means the letter of even date herewith delivered by Dundee REIT to GE and the Purchaser, in a form accepted by and initialled on behalf of GE and the Purchaser, with respect to certain matters in this Agreement.

“Distribution Reinvestment Plan” means the distribution reinvestment and unit purchase plan of Dundee REIT implemented by Dundee REIT, providing for, among other things, the purchase of additional Units with cash distributions, as amended from time to time.

“Dundee Limited Partnership Agreement” means the amended and restated Dundee Properties limited partnership agreement dated as of May 12, 2006 between Dundee Properties GP, Dundee Consolidated Properties, Dundee Realty Corporation, the Sub Trusts and others.

“Dundee Management GP” means Dundee Management (GP) Inc., a corporation existing under the laws of the Province of Ontario.

“Dundee Management GP Shares” means all of the issued and outstanding shares in the capital of Dundee Management GP.

“Dundee Management LP” means Dundee Management Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

“Dundee Management LP Units” means all of the issued and outstanding limited partnership units in the capital of Dundee Management LP.

“Dundee Properties GP” means Dundee Properties (GP) Inc., a corporation existing under the laws of the Province of Ontario.

“Eastern Undertaking” means the business currently carried on by Dundee Properties LP and its Subsidiaries relating exclusively to the Purchased Assets and the Assumed Liabilities.

“Employee Plan” means all bonus, deferred compensation, incentive compensation, share purchase, share option, share appreciation, phantom share, change of control, savings, profit sharing, severance or termination pay, employee benefit, fringe benefit, health, dental or other medical, life, disability or other insurance (whether insured or self-insured), mortgage insurance, employee loan, employee assistance, supplementary unemployment benefit, pension, retirement, supplementary retirement, plan, program and every other benefit plan, program, agreement, arrangement or practice (whether written or unwritten), insured or self insured, registered or unregistered, in each case, under which Dundee REIT or any of its Subsidiaries may have any Liability, but excluding the Canada Pension Plan, the Quebec Pension Plan, any health or drug plan established and administered by a province and workers’ compensation insurance provided by federal or provincial Law or a comparable program established and administered outside Canada.

“Encumbrances” means any encumbrance, lien, charge, hypothec, pledge, option, right of first offer or refusal, registration, mortgage, deed of trust, title retention agreement, security interest of any nature, adverse claim, claim against title, exception, reservation, easement, right of pre-emption, privilege or any option, or Contract to create a security interest in any of the foregoing.

“Environmental, Health or Safety Claim” means any claim, investigation or written notice by any Person against Dundee REIT, any of its Subsidiaries or any Company Properties alleging potential Liability (including potential Liability for investigatory costs, Clean-Up costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) under any Environmental, Health or Safety Law arising out of, based on or resulting from the presence, or Release, of any Hazardous Material on or beneath the Company Properties.

“Environmental, Health or Safety Law” means all applicable Law relating to pollution or protection of the environment or worker health or safety. Without limiting the generality of the foregoing, Environmental, Health or Safety Law includes Laws relating to Releases of Hazardous Material or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, disposal, transport or handling of Hazardous Material and all Laws with regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Material.

“Environmental Reports” has the meaning set out in paragraph 22(a) of Schedule B.

“Estimated Funded Debt” means the estimated Funded Debt of \$905,308,828, as calculated pursuant to Schedule FD attached to the Disclosure Letter.

“Estimated Working Capital” means estimated Working Capital of \$(10,605,626), as calculated pursuant to the sample calculation attached as Schedule WC to the Disclosure Letter.

“Exchangeable Debentures” means, collectively, the 5.85% Exchangeable Unsecured Subordinated Debentures of Dundee Corporation dated as of June 22, 2005 and due on June 30, 2015.

“Exchange and Support Agreement” means the amended and restated exchange and support agreement dated June 14, 2005 between Dundee REIT, the Sub Trusts, Dundee Properties LP and others.

“Exchangeable Units” means the LP Class B, Series 1 limited partnership units of Dundee Properties LP.

“Excluded Assets” means those assets listed in Section A of the Disclosure Letter.

“Excluded Liabilities” means all Liabilities of the Vendors and their Subsidiaries that are not Assumed Liabilities or Liabilities for which GE or the Purchaser is indemnifying the Vendors pursuant to Section 4.5(3), including, without limitation, (i) Liabilities that relate to activities of the Vendors and their Subsidiaries or the Purchased Assets in periods prior to Closing that are not reflected in the Closing Working Capital, (ii) all indebtedness, accounts payable, contractual and other Liabilities of Dundee REIT that do not relate exclusively to the Purchased Assets, (iii) Liabilities relating to violations of Law that occurred prior to Closing, (iv) Liabilities relating to the Employee Plans, (v) Liabilities relating to the Departing Dundee Management Employees and employees that are not Transferred Employees, (vi) the Convertible Debentures, (vii) Liabilities relating to the Excluded Assets, (viii) bank debt (other than Funded Debt), (ix) all Liabilities owed by a Vendor or a Subsidiary of a Vendor to another Vendor or Subsidiary of a Vendor, (x) Liabilities under Contracts relating to periods prior to the Closing except to the extent forming part of Closing Funded Debt or Closing Working Capital, (xi) Liabilities with respect to litigation, proceedings and claims arising as a result of occurrences prior to the Closing, and (xii) Liabilities of the Vendors or their Subsidiaries for income or capital Taxes.

“Exclusivity Agreement” means, collectively, the exclusivity agreement dated April 13, 2007 and the exclusivity agreement dated May 23, 2007, each between Dundee REIT and GE, as amended.

“Funded Debt” means all principal and accrued interest owing by Dundee Properties LP and its Subsidiaries on mortgage debt secured by and attributable to the Assumed Properties.

“GAAP” has the meaning set out in Section 1.8.

“Governance Agreement” means the governance agreement dated November 4, 2003 between Dundee REIT, Dundee Properties GP and Dundee Corporation.

“Governmental Authority” means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and (d) any stock exchange or other self-regulatory organization.

“Governmental Damages” means (i) any civil, administrative or criminal penalties or fines paid or payable to a Governmental Authority, (ii) any restitution paid to a third party, in each case, resulting from the (x) conviction (including as a result of the entry of a guilty plea, a consent judgment or a plea of *nolo contendere*) of Dundee REIT or any of its Subsidiaries of a crime or (y) settlement with a Governmental Authority for the purpose of closing a Governmental Investigation, or (iii) any injunctive relief or requirement to alter business practices.

“Governmental Investigation” means an investigation by a Governmental Authority for the purpose of imposing criminal sanctions or civil or administrative penalties, fines or injunctions on Dundee REIT, any of its Subsidiaries or any Company Properties.

“Ground Lease” has the meaning set out in paragraph 14 of Schedule B.

“Ground Tenant” has the meaning set out in paragraph 14 of Schedule B.

“Hazardous Material” means any solid, gas, liquid, or any combination of the foregoing that is regulated as, or in the circumstances in question, a designated or toxic substance or a hazardous material or the like, waste, byproduct, pollutant or contaminant pursuant to Environmental, Health or Safety Law, and includes friable or non-friable asbestos-containing material, polychlorinated biphenyls, petroleum (including crude oil and any fraction thereof), or petroleum products.

“Holdback Consent Properties” means any JV Interests or interests of the Vendors or their Subsidiaries in any Assumed Property where the Vendors or their Subsidiaries are unable to obtain the consent of the other party thereto for the transfer of such interest to the Purchaser prior to Closing in a form and substance acceptable to the Purchaser.

“Holdback Properties” means the Holdback Consent Properties and the Holdback Purchased Properties.

“Holdback Purchased Properties” means those Assumed Properties forming part of the Purchased Assets on the date hereof in respect of which a third party has exercised its right to purchase such Assumed Property.

“including” means including without limitation.

“Incremental Income, Gains and Recapture” means material amounts of net income (including recaptured capital cost allowance) and net realized capital gains (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act) of Dundee REIT and its Subsidiaries incurred or realized in connection with the transactions contemplated by this Agreement, excluding any such amounts arising in connection with the transfer of a property not exceeding the amounts that would be realized in connection with a transfer of such property to the Purchaser.

“In-Scope Employees” means all employees of Dundee Realty Management Corp. or its Affiliates listed on Schedule A of the Disclosure Letter, together with such other employees as GE and Dundee Properties LP mutually agree prior to Closing, each acting reasonably.

“Intellectual Property Rights” has the meaning set out in paragraph 21 of Schedule B.

“Interested Unitholders” means, collectively, (i) any interested party to the transactions contemplated by this Agreement within the meaning of Ontario Securities Commission Rule 61-501 and the Autorité des marchés financiers du Québec Regulation Q-27 (collectively, the **“Related Party Rules”**), (ii) a related party of a Person

referred to in clause (i) for purposes of the Related Party Rules, unless the related party meets that description solely in its capacity as a director or senior officer of one or more entities that are neither interested parties nor issuer insiders (within the meaning of the Related Party Rules) of Dundee REIT, or (iii) any Person that is a joint actor within any of the foregoing for purposes of the Related Party Rules.

“Investment Canada Act” means the *Investment Canada Act* (Canada), as amended.

“JV Interests” means, collectively, the limited partner interests listed on Schedule A to the Disclosure Letter.

“Laws” means all statutes, regulations, statutory rules, principles of common law or equity, orders, policies or other standards and terms and conditions of any permit, grant of approval, permission, authority or license (including the “normal growth guidelines” issued by the Department of Finance on December 15, 2006) of any Governmental Authority (including the Securities Regulatory Authorities), and the term **“applicable”** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority (including the Securities Regulatory Authorities) having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities, in each case as such Laws may be amended from time to time.

“Leased Properties” has the meaning set out in paragraph 14 of Schedule B.

“Liabilities” means any and all debts, liabilities and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, including those arising under any Law, those arising under any contract, agreement, commitment, instrument, permit, license or other undertaking and those arising as a result of any act or omission.

“Lock-Up Agreement” means the lock-up agreement dated the date hereof between GE and 0764704 B.C. Ltd., 0764707 B.C. Ltd., Dundee Realty Corporation, Limited Intelligence ESL Inc., J. Michael Knowlton and Mario Barrafato.

“Material Contracts” means (i) any loan agreement, letter of credit, indenture, note, bond, debenture, mortgage or any other document, agreement or instrument evidencing a capitalized lease obligation or other indebtedness to any Person, or any guaranty thereof, in excess of \$2,000,000 (excluding letters of credit, performance bonds or guaranties entered into in the ordinary course of business), (ii) any contractual obligation (including any brokerage agreement) entered into by Dundee REIT or any of its Subsidiaries that, by its terms, is not terminable within one year (without termination fee or penalty) and that may result in total payments by Dundee REIT or any of its Subsidiaries in excess of \$2,000,000, (iii) any material agreements filed or required to be filed under applicable Securities Laws, (iv) any interest rate cap, interest rate collar, interest rate swap, currency hedging transaction and any other agreement relating to a similar transaction in excess of \$2,000,000 to which Dundee REIT or any of its Subsidiaries is a party or an obligor with respect thereto, (v) any agreement, arrangement or understanding in which the amount involved exceeds \$50,000 per annum with any trustee, director, officer or employee of Dundee REIT or any of its Subsidiaries or any associate or affiliate of any such trustee, director, officer or employee, (vi) any partnership or joint venture agreement with any third parties, (vii) any confidentiality agreement, non-competition agreement or other contract or any agreement that contains covenants that restrict Dundee REIT or any of its Subsidiaries or any of their respective Affiliates’ ability to compete in any line of business or with any Person in any geographical area, (viii) any Contract providing any Person with any option, right of first refusal or similar obligation with respect to any of Dundee REIT’s or its Subsidiaries’ assets, (ix) any agreement pursuant to which Dundee REIT or any of its Subsidiaries manages or provides services with respect to any real properties other than real property owned by Dundee REIT or any of its Subsidiaries, in each case together with all amendments, modification and supplements thereto, (x) any Contract entered into in the past twelve months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by amalgamation, merger or otherwise), of assets or shares, units or other equity interests of another Person for aggregate consideration in excess of \$1,000,000, (xi) Ground Leases, (xii) leases with tenants leasing space in any Assumed Property in excess of 50,000 square feet, and (xiii) leases of real property by the Vendors or any of their Subsidiaries, as tenant, with third parties providing for annual rents of \$100,000 or more.

“MCAP Loan Eastern Assets” means:

Pauls — 1925 Williams Parkway E
Pauls — 2355 Skymark Avenue
Pauls — 2400 Skymark Avenue
Pauls — 25 Bramtree Court
Pauls — 35 Bramtree Court
Pauls — 40 Bramtree Court
Pauls — 400 Chrysler Drive

“MCAP Loan Western Assets” means:

Pauls — 2985 23rd Avenue NE
Pauls — 2150 29th Street NE
Pauls — 2777 23rd Avenue NE
Pauls — 2886 Sunridge Way NE
Pauls — 2928 Sunridge Way NE
Pauls — 3030 Sunridge Way NE
Pauls — 3250 Sunridge Way NE

“MCAP Loans” means the loans on the MCAP Loan Eastern Assets and the MCAP Loan Western Assets in favour of MCAP on behalf of BC Investment Management Corporation as described in Section 17(A)(1) of the Disclosure Letter.

“Minister” means the responsible minister under the Investment Canada Act.

“Misrepresentation” has the meaning ascribed to such term under the Securities Act.

“Nominees” means, collectively, the nominee entities listed in Section A of the Disclosure Letter holding bare legal title to certain of the Assumed Properties.

“Nominee Shares” means all of the issued and outstanding shares in the capital of each of the Nominees held by Dundee Properties LP and/or any of its Subsidiaries that the Purchaser elects to acquire by providing written notice to Dundee Properties LP at least five Business Days prior to Closing.

“Offer Price” has the meaning set out in Section 2.8.

“Outside Date” means October 31, 2007.

“Owned Properties” has the meaning set out in paragraph 14 of Schedule B.

“Participation Agreements” has the meaning set out in paragraph 14 of Schedule B.

“Permitted Encumbrances” has the meaning set forth in the Disclosure Letter.

“Person” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

“Personal Data” means information relating to an identified or identifiable natural or legal Person.

“Pre-Closing Transactions” has the meaning set out in Section 4.5.

“Property Contracts” means all of the Contracts relating to or associated with the Company Properties, including any management agreements and nominee agreements.

“Purchase Price” has the meaning set out in Section 2.1.

“Purchased Assets” means all of the right, title and interest in, to and under or relating to, the (i) the Assumed Properties, (ii) the accounts receivable of Dundee Properties LP and its Subsidiaries, determined in accordance with GAAP, that relate exclusively to the Assumed Properties as at the Closing Date and are reflected in Closing Working Capital, (iii) all rights of Dundee Properties LP and its Subsidiaries pursuant to all Material Contracts that relate exclusively to the Assumed Properties and are listed on Schedule A to the Disclosure Schedule and all immaterial Contracts to which Dundee Properties LP or its Subsidiaries are a party that relate exclusively to the Assumed Properties, (iv) the Nominee Shares, and (v) all other rights and legal entitlements owned or held by Dundee

Properties LP and its Subsidiaries that relate exclusively to the Assumed Properties, in each case, excluding the Excluded Assets.

“Purchased Units” has the meaning set out in Section 2.8.

“Purchaser” means, prior to any assignment by GE to an Affiliate pursuant to Section 6.2, GE, and thereafter, each assignee of GE pursuant to Section 6.2.

“Regulatory Approvals” means those sanctions, rulings, consents, clearances, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under any statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, as set out in Schedule D hereto.

“Release” means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater and surface or subsurface strata), or into or out of any property, including the movement of Hazardous Material through or in the air, soil, surface water, groundwater or property.

“Representatives” has the meaning set out in Section 4.7(1).

“Satisfaction Date” has the meaning set out in Section 2.4.

“Securities Act” means the *Securities Act* (Ontario) and the rules, regulations, instruments and published policies made thereunder, as now in effect and as they may be amended from time to time prior to Closing.

“Securities Laws” mean the Securities Act and all other applicable Canadian securities Laws and the rules and published policies of the TSX.

“Securities Regulatory Authorities” means collectively, the provincial and territorial securities regulatory authority in the provinces and territories of Canada in which Dundee REIT is a reporting issuer (or the equivalent), and the TSX.

“Side Letter” means the letter agreement dated the date hereof between Dundee Corporation, Dundee Realty Corporation, Dundee REIT and GE relating to the transactions contemplated by this Agreement.

“Special Trust Units” means the Special Trust Units of Dundee REIT issued to the holders of LP Class B Units, Series 1 providing a right to vote (and only a nominal economic interest) as a unitholder of Dundee REIT, all of which are currently held indirectly by Dundee Corporation.

“Subsidiaries” has the meaning ascribed to that term in the National Instrument 45-106 of the Canadian Securities Administrators.

“Superior Proposal” means any bona fide written Acquisition Proposal made by a third party to the Board after the date hereof that has not been solicited, initiated, encouraged, invited or otherwise facilitated by Dundee REIT, directly or indirectly, through any trustee, officer, director, employee, agent or Representative of Dundee REIT and that the Board determines in good faith, that, after consultation with its financial advisors and with outside legal counsel: (a) is reasonably capable of being completed without undue delay having regard to financial, legal, regulatory and other matters, including the Person making the Acquisition Proposal; (b) in respect of which financing, to the extent required, is then fully committed; (c) is not subject to any due diligence conditions; and (d) would, if consummated in accordance with its terms, result in a transaction more favourable to Unitholders from a financial point of view (including financing terms, any conditions to the consummation thereof and the time required for consummation) than the transactions contemplated by this Agreement, including any modification to this Agreement contemplated by Section 4.4(6); provided, however, that for purposes of this definition the references in the definition of Acquisition Proposal to “20%” shall be deemed to be references to “51%”.

“Tax” and **“Taxes”** means all taxes, duties, fees, premiums, assessments, levies and other fees of any kind whatsoever levied by any Governmental Authority or to be paid under any tax laws (including income tax, employment or payroll tax, property tax, corporate tax, land transfer tax, sales tax, goods and services tax, harmonized sales, value-added, excise tax, withholding tax, tax on capital, customs duties and transfer fees), including any interest, penalties or other additions to tax.

“Tax Act” means the *Income Tax Act* (Canada), as amended.

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, information returns and statements filed with any Governmental Authority or required to be filed in respect of Taxes.

“Tenant Options” means, collectively, the rights of first offer or rights of first refusal listed on Schedule A to the Disclosure Letter.

“Termination Payment” means an amount equal to \$55 million.

“Third Party Consents” has the meaning set forth in Section 7 of Schedule B.

“Transaction Income, Gains and Recapture” means net income (including recaptured capital cost allowance) and net realized capital gains (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act) of Dundee REIT and its Subsidiaries incurred or realized in connection with the transactions contemplated by this Agreement (including Section 2.1(9) of the Agreement and Schedule 2.5(3)(h) to the Disclosure Letter).

“Transferred Employees” has the meaning set out in Section 4.8.

“Trust A Declaration of Trust” means the declaration of trust dated June 30, 2003 establishing Trust A.

“Trust B Declaration of Trust” means the declaration of trust dated June 30, 2003 establishing Trust B.

“Trust Indenture” means the trust indenture dated June 21, 2004, as supplemented by a first supplemental indenture dated April 1, 2005 and a second supplemental indenture made effective as of June 21, 2004, in each case between Dundee REIT and Computershare Trust Company of Canada, providing for the issuance of the Convertible Debentures.

“Trustees” means the trustees of Dundee REIT.

“TSX” means the Toronto Stock Exchange.

“Unitholder Approval” means the approval of the Unitholder Resolution by at least: (a) two-thirds of the votes cast on the Unitholder Resolution by the Unitholders present in person or represented by proxy at the Unitholder Meeting, and (b) a majority of the votes cast on the Unitholder Resolution by the Unitholders (other than votes cast by the Interested Unitholders) present in person or represented by proxy at the Unitholder Meeting.

“Unitholder Meeting” means the special meeting of the Unitholders, including any adjournment or postponement thereof, to be called and held to consider the transactions contemplated hereby pursuant to Section 2.6.

“Unitholder Resolution” means a Special Resolution (as defined in the Declaration of Trust) of the Unitholders approving the consummation of the transactions contemplated hereby (including the matters described in the term sheet attached as Schedule E), such resolution to be in form and substance satisfactory to each of Dundee REIT and GE, acting reasonably.

“Unitholders” means the registered or beneficial holders of the issued and outstanding Units, as the context requires.

“Units” means the issued and outstanding REIT Units, Series A and REIT Units, Series B of Dundee REIT.

“Vendors” means, collectively, Dundee REIT, the Sub Trusts and Dundee Properties LP.

“Western MAC” means, with respect to Dundee REIT and its Subsidiaries, any fact, change, effect, event, development, occurrence or set of circumstances, that individually or in the aggregate with all other facts, changes, effects, events, developments, occurrences or sets of circumstances, (i) is materially adverse or would reasonably be expected to be materially adverse to the business, affairs, assets, properties operations, results of operations, prospects or condition (financial or otherwise) of the Western Undertaking, taken as a whole; (ii) evidences a set of facts and circumstances that has resulted or would reasonably be expected to result in reputational harm to GE or any of its affiliates or the Western Undertaking of such seriousness that a reasonable person in the position of GE would not proceed with the transaction contemplated by Section 2.8 or involves or relates to acts, omissions or other practices for which a Governmental Authority could have a reasonable basis for criminal prosecution or civil enforcement under applicable Law or would reasonably be expected to subject GE, any of its Affiliates or the Purchased Assets to material Governmental Damages, (iii) has prevented or materially impaired or would reasonably be expected to prevent or materially impair the ability of Dundee REIT to qualify as a “real estate investment trust” for purposes of the Tax Act immediately after Closing, assuming that the taxation year or fiscal period, as the case may be, of Dundee REIT and each of its Subsidiaries had ended immediately before Closing, that a new one began at Closing and ended on December 31, 2007, that the transactions described in Section 2.5(3)(h) of the Disclosure Letter were undertaken by Dundee REIT and its Subsidiaries immediately before Closing and that no transactions would be undertaken by Dundee REIT or its Subsidiaries after Closing and before January 1, 2008 that would prevent Dundee REIT from so qualifying as a “real estate investment trust”, or has resulted or would reasonably be

expected to result in an allocation to the Purchaser of any material amount in respect of the Transaction Income, Gains and Recapture or a material amount of Taxes payable by Dundee REIT or a Subsidiary in respect of the Transaction Income, Gains and Recapture; (iv) has caused or would reasonably be expected to cause Dundee REIT, at any time prior to January 1, 2008, to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended, or has caused or would reasonably be expected to cause the definition of “SIFT trust” to apply to Dundee REIT at any time prior to January 1, 2008 (in each case having regard to transactions, exchanges, conversions, issuances, facts, changes, effects, events, developments, occurrences or set of circumstances that could reasonably be expected to occur, exist or be undertaken by or with respect to Dundee REIT or a Subsidiary prior to January 1, 2008); or (v) would reasonably be expected to prevent or materially impair the ability of Dundee REIT from qualifying as a mutual fund trust for purposes of the Tax Act or as a unit trust under paragraph 108(2)(a) of the Tax Act, in each case other than any fact, change, effect, event, development, occurrence or set of circumstances resulting solely from (1) the announcement of the execution of this Agreement or the transactions contemplated hereby, (2) the Canadian economy or securities or currency markets in general, (3) changes adversely affecting the mid-sized urban and suburban office and industrial property leasing and management industry in general in Canada, (4) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism, (5) changes in applicable Law or regulations or in Canadian generally accepted accounting principles (other than any Laws relating to Taxes or the interpretation thereof), (6) any natural disaster, (7) any change in the trading prices of the Units solely as a result of the matters referred to in clauses (2) through (6), or (8) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions, in the case of each of clauses (2) through (6), to the extent that they do not affect Dundee REIT or its Subsidiaries, taken as a whole, in a disproportionate manner relative to other real estate investment trusts in the relevant geographic areas.

“Western Undertaking” means the business currently carried on by Dundee Properties LP and its Subsidiaries, excluding the Eastern Undertaking.

“Working Capital” means current assets of the Eastern Undertaking which are fungible, less current liabilities of the Eastern Undertaking, all calculated in accordance with GAAP and in the same manner as the sample calculation attached as Schedule WC to the Disclosure Letter.

**SCHEDULE B
REPRESENTATIONS AND WARRANTIES
OF THE VENDORS**

1. **Organization; Subsidiaries.** Dundee REIT and each of its Subsidiaries has been duly formed or incorporated under applicable Law, validly exists, is in good standing and has full trust or corporate power and authority to own its properties and conduct its business as presently owned and conducted and is qualified to do business in each of the jurisdictions in which the nature of its business or the ownership of its properties make such qualification necessary. All of the units, shares or other ownership interests of Dundee REIT and its Subsidiaries are validly issued, fully paid and non-assessable and all such shares, units and JV Interests are owned directly or indirectly by Dundee REIT free and clear of all Encumbrances other than Permitted Encumbrances. Section 1 of the Disclosure Letter sets forth (i) each Subsidiary of Dundee REIT, (ii) the ownership interest therein of Dundee REIT, if not directly or indirectly owned by Dundee REIT, and the identity and the class and number of ownership interest of other owners of such Subsidiary. Complete and correct copies of the organizational documents of Dundee REIT and each Subsidiary of Dundee REIT have been previously delivered or made available to Purchaser. Except for ownership interests in the Subsidiaries of Dundee REIT and pursuant to the JV Interests, neither Dundee REIT nor any of its Subsidiaries owns directly or indirectly any interest or investment (whether equity or debt) in any Person.
2. **Capitalization.** The authorized capital of Dundee REIT consists of an unlimited number of Units. As at the date hereof, there are 40,195,654 Units and 7,884,737 Special Trust Units issued and outstanding (excluding Units to be issued under the Distribution Reinvestment Plan on June 15, 2007). All Units issuable upon the conversion of the Convertible Debentures, in accordance with their terms, will be duly authorized and validly issued and fully paid and non-assessable. Except as disclosed in the Disclosure Letter, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments of any character relating to issued or any unissued Units of Dundee REIT or any units, shares or other ownership interests of any of its Subsidiaries, obligating Dundee REIT or any Subsidiary of Dundee REIT to issue or sell any Units or units, shares or other ownership interests of Dundee REIT or any Subsidiary of Dundee REIT, or any securities or obligations of any kind convertible into or exchangeable or exercisable for any Units or any units, shares or other ownership interests of Dundee REIT or any Subsidiary of Dundee REIT. There are no bonds, debentures, notes or other indebtedness of Dundee REIT, or assets of any Subsidiary of Dundee REIT, convertible into, or exchangeable or exercisable for Units or shares or having the right to vote (or convertible into, or exchangeable or exercisable for, securities having the right to vote) on any matters in which the Unitholders may vote other than the Convertible Debentures. All dividends or distributions on the Units which have been authorized or declared prior to the date hereof have been paid in full, other than the previously announced distribution of \$0.183 per Unit for the month of May payable on June 15, 2007. Except as disclosed in the Disclosure Letter, there are no Unitholder agreements, voting trusts, voting agreements, proxies or other agreements, arrangements or understandings relating to the voting of any Units or Special Trust Units or any units, shares or other ownership interests in any Subsidiary of Dundee REIT to which Dundee REIT or any Subsidiary of Dundee REIT is a party or by which it is bound. Except as disclosed in the Disclosure Letter, there are no outstanding contractual obligations of Dundee REIT or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Units of Dundee REIT or any units, shares or other ownership interests of such Subsidiary or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any such Subsidiary or any other Person.
3. **Authority.** The Board, based on the unanimous recommendation of a committee of independent trustees of the Board, has unanimously approved and declared advisable this Agreement and the transactions contemplated hereby and has directed that such transactions be submitted for consideration at the Unitholder Meeting. The Board has unanimously determined that the consideration per Unit offered pursuant to this Agreement is fair to the Unitholders and that the transactions contemplated hereby are in the best interests of the Unitholders, has unanimously approved this Agreement and has resolved to support and to recommend that Unitholders vote in favour the transactions contemplated hereby. Each of the Vendors has the requisite trust or corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to cause its relevant Subsidiaries to convey the Purchased Assets. The execution and delivery of this Agreement by each of the Vendors and the consummation by each of the Vendors of the transactions contemplated by this Agreement

have been duly authorized and no other proceedings on the part of each of the Vendors are necessary to authorize this Agreement, or the Circular or the transactions contemplated hereby, other than, (i) with respect to the Circular and other documents relating thereto, the approval of the Trustees, and (ii) Unitholder Approval as contemplated in this Agreement.

4. **Execution.** This Agreement has been duly executed and delivered by each of the Vendors and constitutes a valid and binding obligation of each of the Vendors, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.
5. **No Violations.** Except as disclosed in the Disclosure Letter, subject to obtaining the Regulatory Approvals, the approval of the Circular by the Trustees, Unitholder Approval and the Third Party Consents, the execution and delivery by each of the Vendors of this Agreement and performance by each of them of their obligations hereunder and the completion of the transactions contemplated hereby will not result directly or indirectly (with or without notice or the passage of time) in a violation, default or breach of, require any consent, approval or waiver or Authorization to be obtained under, constitute a default under any provision of, conflict with, or give rise to any termination, cancellation or acceleration rights under any provision of, or result in the creation of any Encumbrance upon any of the properties or assets of Dundee REIT or any of its Subsidiaries, including the properties and assets relating to the JV Interests and Co-Owned Interests, under:
 - (a) the Declaration of Trust or any Vendor's or any Vendor's Subsidiary's declaration of trust, limited partnership agreement, certificate of incorporation, articles, by-laws or other charter or constating documents, as applicable;
 - (b) any applicable Laws;
 - (c) any Authorization with respect to Dundee REIT, any of its Subsidiaries or any of their respective operations, properties or assets, including certificates of occupancy; or
 - (d) any Material Contract, including any agreement relating to the JV Interests and the Co-Owned Interests, except, in the case of clauses (b), (c) or (d), where such violation, default, breach, failure to obtain, default, conflict, termination, cancellation, acceleration right or Encumbrance would not reasonably be expected to result in a Big MAC.
6. **Required Authorizations.** There is no requirement for any of the Vendors to make any filing with or give any notice to any Governmental Authority, or obtain any Authorization as a condition to the lawful completion of the transactions contemplated by this Agreement, except (i) in connection with the Regulatory Approvals, and (ii) the filing with the Securities Regulatory Authorities and the mailing to the Unitholders of the Circular.
7. **Required Consents.** Except as disclosed in the Disclosure Letter, there is no requirement to obtain any consent, approval or waiver of a party under any Material Contract to which Dundee REIT or its Subsidiaries is a party to this Agreement or any of the transactions contemplated by this Agreement (the "**Third Party Consents**").
8. **Absence of Changes.** Since December 31, 2006: (a) there has not been any (i) Big MAC (ii) any action which would have constituted a material breach of Section 4.1, if such section had applied since December 31, 2006, or (iii) any material change in the status of any Regulatory Approval of Dundee REIT, or any of its Subsidiaries; (b) the business and operations of Dundee REIT and its Subsidiaries have been carried on in the ordinary course, consistent with past practice in all material respects; (c) none of Dundee REIT or any of its Subsidiaries has incurred any Liability or entered into any Contract or transaction, that in either case Dundee REIT or any of its Subsidiaries knew or ought to have known could not be paid, satisfied or performed; (d) neither Dundee REIT nor any of its Subsidiaries has sustained any loss or interference with their business or any of their properties from fire, flood, windstorm, accident or other calamity (whether or not covered by insurance); and (e) there has been no change in the capital of Dundee REIT or its Subsidiaries and no dividend or distribution of any kind declared, paid or made by Dundee REIT or its Subsidiaries, except as disclosed in the Disclosure Letter.
9. **Financial Statements; Undisclosed Liabilities.**
 - (a) The audited consolidated financial statements of Dundee REIT for the fiscal years ending December 31, 2004, 2005 and 2006 and the unaudited consolidated financial statements for the nine month period

ending March 31, 2007, including the consolidated balance sheet of Dundee at March 31, 2007 (the “**Balance Sheet**”) were each prepared in accordance with generally accepted accounting principles in Canada, consistently applied, and fairly present the consolidated financial condition of Dundee REIT and its Subsidiaries at the respective dates indicated and the results of operations of Dundee REIT and its Subsidiaries (on a consolidated basis) for the periods covered. Dundee REIT has not made any change in the accounting practices or policies applied in the preparation of the Balance Sheet, except as disclosed in the Disclosure Letter.

- (b) There are no Liabilities of Dundee REIT or any of its Subsidiaries and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in such a Liability, other than: (a) Liabilities expressly provided for in the Balance Sheet and (b) Liabilities incurred in the ordinary course of business consistent with past practice since March 31, 2007 which would not, individually or in the aggregate, reasonably be expected to result in a Big MAC. As of the date hereof, the indebtedness for borrowed money of Dundee REIT and its Subsidiaries, collectively, does not exceed Cdn.\$2,000,000,000. The Disclosure Letter contains a correct and complete list of all indebtedness for borrowed money of Dundee REIT and its Subsidiaries. Schedule FD to the Disclosure Letter accurately sets forth the amount of Funded Debt as of the date noted therein.
10. **Compliance with Laws.** The operations of Dundee REIT and each of its Subsidiaries are conducted in compliance in all material respects with all applicable Laws of each jurisdiction in which Dundee REIT or its Subsidiaries or any of such operators carries on its business, and none of Dundee REIT or any of its Subsidiaries or any of the operators of their respective properties or assets has received any notice of any violation of any such Laws. Dundee REIT and each of its Subsidiaries and all of the operators of their respective properties or assets are in compliance in all material respects with all applicable Laws and the terms of all approvals of Governmental Authorities to the extent applicable thereto, or to any of their respective businesses or operations.
11. **Litigation, etc.** There is no claim, grievance, action, proceeding or investigation pending or, to the knowledge of Dundee REIT, threatened against or relating to Dundee REIT or any Subsidiary or affecting any of its properties or assets before any Governmental Authority that, if adversely determined, would reasonably be expected to result in a Big MAC. Neither Dundee REIT nor any Subsidiary is subject to any outstanding order, writ, injunction or decree that would reasonably be executed to result in a Big MAC.
12. **Disclosure Record.** Dundee REIT is a reporting issuer (or the equivalent) under applicable Securities Laws and is not in breach, violation or default of any requirements of any applicable Securities Laws. No delisting, suspension of trading or cease trade order with respect to Units or the Convertible Debentures is pending, or to the knowledge of Dundee REIT, threatened. Since December 31, 2005, Dundee REIT has filed with the Securities Regulatory Authorities all forms, reports, and documents, including financial statements, annual information forms, material change reports and management proxy circulars required to be filed by Dundee REIT under Securities Laws. After giving effect to all subsequent filings in relation to matters covered in earlier filings, the public filings of Dundee REIT under the provisions of applicable Securities Laws do not contain any Misrepresentations. Dundee REIT has not filed any confidential material change report with the Securities Regulatory Authorities which as of the date hereof remains confidential.
13. **Full Disclosure.** All Data Room Information is accurate in all material respects as at the respective dates stated therein, or if any Data Room Information is undated, as at the date of its delivery into the IntraLinks website for purposes of the transactions contemplated hereby or to the Purchaser on a compact disc or in documentary form, except to the extent modified, amended or superseded by later dated or delivered Data Room Information.
14. **Real Property.**
- (a) The Disclosure Letter sets forth a correct and complete list of (i) all real property (freehold or leasehold, and including through any joint venture or co-ownership) owned by Dundee REIT or its Subsidiaries (collectively, the “**Owned Properties**”), and (ii) all real property leased, subleased or licensed by Dundee REIT or its Subsidiaries (collectively, the “**Leased Properties**”) or in which Dundee REIT has a direct or indirect interest as a mortgage or mezzanine lender (together with the Owned Properties and the Leased Properties, the “**Company Properties**”). Accurate copies of all leases that are Material Contracts relating to the Leased Properties and of any amendments, extensions and/or additions thereto have been included

in the Data Room Information. Except as disclosed in the Disclosure Letter, there are no real properties for which Dundee REIT or its Subsidiaries has a contract to buy, lease or sublease at some future date. Dundee REIT and each of its Subsidiaries (i) has good, marketable, legal and beneficial title to the Owned Properties, and (ii) has valid and subsisting leasehold interest in the Leased Properties, in each case free and clear of any Encumbrance and necessary to permit the operation of Dundee REIT's current business, as it is now being conducted, except for Permitted Encumbrances which, individually or in the aggregate, would not be reasonably expected to have a Big MAC. Without limiting the foregoing: (i) Dundee Properties LP is the direct or indirect beneficial owner of the Company Properties, and (ii) each of the Nominees are the legal owners of the Company Properties as set out in the Disclosure Letter.

- (b) To the knowledge of Dundee REIT, none of Dundee REIT and its Subsidiaries has received notice that any certificate, permit or license from any Governmental Authority having jurisdiction over any of the Company Properties or any agreement, easement or other right of an unlimited duration that is necessary to permit the lawful use and operation of the buildings and improvements on any of the Company Properties is not in full force and effect or of any pending written threat of modification or cancellation of any of same.
- (c) To the knowledge of Dundee REIT, except as disclosed in the Disclosure Letter, as of the date hereof, none of Dundee REIT or any of its Subsidiaries has received any notice to the effect that any condemnation, expropriation or rezoning proceedings are pending with respect to any of the Company Properties.
- (d) The Disclosure Letter sets forth a correct and complete list as of the date of this Agreement of each ground lease (together with all amendments and modifications thereto, a "**Ground Lease**") with a third party pursuant to which Dundee REIT or any of its Subsidiaries, or any Person (a "**Ground Tenant**") in which Dundee REIT or any of its Subsidiaries has an option to acquire a controlling interest is a lessee.

To the knowledge of Dundee REIT, as of the date hereof, none of Dundee REIT or any of its Subsidiaries or any Ground Tenant has received a notice that it or any Ground Tenant is in material default under any Ground Lease which remains uncured. Dundee REIT has made available to Purchaser correct and complete copies of each Ground Lease. None of Dundee REIT, any of its Subsidiaries or any Ground Tenant or any other party is in material breach or violation of, or default under, any Ground Lease. No event has occurred which would result in a material breach or violation of, or a default under, any Ground Lease by Dundee REIT, its Subsidiaries or any Ground Tenant, or, to the knowledge of Dundee REIT, any other party thereto (in each case, with or without notice or lapse of time or both). Each Ground Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect with respect to Dundee REIT or its Subsidiaries or its Ground Tenant and, to the knowledge of Dundee REIT, with respect to the other parties thereto.

- (e) Except for those Contracts disclosed in the Disclosure Letter or as contemplated by, or provided in, the Material Contracts or organizational documents of Dundee REIT or its Subsidiaries, none of Dundee REIT or any of its Subsidiaries is a party to any contract or agreement (collectively, the "**Participation Agreements**") with any third party that provides for (i) a right of such third party to participate in the profits, sale proceeds or revenues of any Company Property or (ii) a right of first refusal or option to purchase any Company Property.
- (f) Except for those Contracts disclosed in the Disclosure Letter, there are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of any real property interests or leased properties or which would restrict the ability of Dundee REIT to directly or indirectly transfer its legal and/or beneficial interest in and to the whole or any part of any of the Company Properties or prevent or delay the transactions contemplated by this Agreement.
- (g) The Company Properties and all buildings and structures located thereon and the conduct of Dundee REIT's business as presently conducted does not materially violate, and the use thereof in the manner in which presently used is not materially adversely affected by, any zoning or building laws, ordinances, regulations, covenants or official plans. To the knowledge of Dundee REIT, Dundee REIT has not received any notification alleging any such violation.

15. **Brokers.** No broker, investment banker, financial advisor or other Person is entitled to any broker's fee, finder's, financial advisor's or other like payment (other than legal fees) or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Dundee REIT, other than Brookfield Financial Real Estate Group Limited and Blackmont Capital Inc., the amounts of which payments are disclosed in the Disclosure Letter
16. **Governmental Permits/Authorizations, Ethical Business Practices, Compliance.**
 - (a) Dundee REIT and each of its Subsidiaries is in possession of all material franchises, grants, authorizations, licenses, permits, consents, certificates, approvals and orders of any Governmental Authority necessary for Dundee REIT and each of its Subsidiaries to own, lease and operate its properties and assets or to carry on its business as it is now being conducted (the "**Permits**"). No suspension or cancellation or modification of any of the Permits is pending or, to the knowledge of Dundee REIT, threatened.
 - (b) None of Dundee REIT or any of its Subsidiaries or, to the knowledge of Dundee REIT, any of their respective directors, trustees, officers, agents or employees (i) has used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal, (ii) has used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officials or employees, (iii) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties or (iv) has made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature. Since June 30, 2003, neither Dundee REIT nor any of its Subsidiaries has made or has been ordered to make any payment in respect of any Governmental Damages. Since June 30, 2003, neither Dundee REIT nor any of its Subsidiaries has received written notice to the effect that a Governmental Authority claimed or alleged that Dundee REIT or any of its Subsidiaries was not in compliance in a material respect with any Law applicable to Dundee REIT or any of its Subsidiaries, any of their material properties or other assets or any of their businesses or operations. None of Dundee REIT nor any of its Subsidiaries or any of their respective Affiliates has conducted or initiated any internal investigation or made a voluntary disclosure to any Governmental Authority with respect to any alleged act or omission, including arising under or relating to a contract, subcontract or any other agreement with a Governmental Authority.
17. **Material Contracts.** The Disclosure Letter sets forth a correct and complete list of all Material Contracts. To the knowledge of Dundee REIT, none of Dundee REIT, its Subsidiaries nor any of the other parties thereto, is in material default or breach of, nor has Dundee REIT or its Subsidiaries received any notice of default or breach of, or termination under, any Material Contract, and there exists no state of facts which after notice or lapse of time or both would constitute a material default or breach of such Material Contract. Dundee REIT has delivered or made available to Purchaser correct and complete copies of all Material Contracts.
18. **Insurance.** All material fire and casualty, general liability, business interruption, product liability, and sprinkler and water damage insurance policies maintained by Dundee REIT or any of its Subsidiaries are with reputable insurance carriers, provide full and adequate coverage for all normal risks incident to the business of Dundee REIT and its Subsidiaries and their respective properties and assets, and are in character and amount at least equivalent to that carried by persons engaged in similar businesses and subject to the same or similar perils or hazards. Dundee REIT and each of its Subsidiaries have made any and all payments required to maintain such policies in full force and effect. Neither Dundee REIT nor any of its Subsidiaries has received written or oral notice of default under any such policy, and has not received written or oral notice of any pending or threatened termination or cancellation, coverage limitation or reduction or material premium increase with respect to such policy.
19. **Tax Status.** Dundee REIT is a mutual fund trust as defined in subsection 132(6) of the Tax Act. Except as disclosed in the Disclosure Letter, none of the Vendors or any Subsidiary is a non-resident of Canada or a partnership other than a "Canadian partnership" within the meaning of the Tax Act.
20. **Tax Matters.**
 - (a) Each of the Vendors and their respective Subsidiaries has duly and timely filed all Tax Returns required to be filed prior to the date hereof with the appropriate Governmental Authorities which returns are correct and complete in all material respects.

- (b) Each of the Vendors and their respective Subsidiaries has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are due and payable by it whether or not assessed by the appropriate Governmental Authority.
- (c) None of the Vendors and their respective Subsidiaries has requested, or entered into any agreement or other arrangement or executed any waiver providing for, any extension of time within which:
 - (i) to file any Tax Return (which has not since been filed) covering any Taxes for which any of the Vendors or their respective Subsidiaries, with the exception of Sub Trusts and Dundee REIT, is or may be liable;
 - (ii) to file any elections, designations or similar filings relating to Taxes (which has not since been filed) for which any of the Vendors or their respective Subsidiaries, with the exception of Sub Trusts and Dundee REIT, is or may be liable;
 - (iii) any of the Vendors or their respective Subsidiaries is required to pay or remit any Taxes or amounts on account of Taxes (which has not since been paid or remitted); or
 - (iv) any Governmental Authority may assess or collect Taxes for which any of the Vendors or their respective Subsidiaries are liable.
- (d) To the knowledge of Dundee REIT (i) there are no material proceedings, investigations, audits or claims now pending or threatened against any of the Vendors or their respective Subsidiaries in respect of any Taxes; and (ii) there are no material matters under discussion, audit or appeal with any Governmental Authority relating to Taxes.
- (e) Each of the Vendors and their respective Subsidiaries has duly and timely withheld from any amount paid or credited by it to or for the account or benefit of any Person the amount of all Taxes and other deductions required by any Laws to be withheld from any such amount and has duly and timely remitted the same (or are properly holding for such remittance) to the appropriate Governmental Authority.
- (f) Each of the Vendors and their respective Subsidiaries has duly and timely collected all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by Law to be remitted by it.
- (g) Each of the Vendors and their respective Subsidiaries, taken as a whole, have made adequate provision in the Balance Sheet for any unpaid Taxes accruing prior to the date thereof and in the Books and Records for any Taxes accruing in respect of any period subsequent to the date of the Balance Sheet.
- (h) Dundee REIT has not exceeded “normal growth” as determined by reference to the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended, assuming the transactions contemplated by this Agreement, other transactions, exchanges, conversions, issuances, facts, changes, effects, events, developments, occurrences or set of circumstances that can reasonably be expected to occur, exist or be undertaken by or with respect to Dundee REIT or a Subsidiary prior to January 1, 2008 and a new issuance of REIT Units, Series A with a value when issued of \$20 million and for a subscription amount of \$20 million had occurred immediately prior to the date hereof (where the representation is given as of such date) or immediately prior to Closing (where the representation is given as of Closing) (assuming all issuances of REIT Units or any class of securities convertible into or exchangeable or exercisable for, or rights, warrants or options to acquire, any such REIT Units or other such convertible or exchangeable securities constitute growth for purposes of such “normal growth guidelines” other than the issuance of REIT Units, Series A pursuant to the Convertible Debentures and the issuance of REIT Units, Series B pursuant to the Exchangeable Units issued and outstanding on October 31, 2006 and valuing the REIT Units issued on each issuance of REIT Units at the subscription price received where such issuance was for cash proceeds and otherwise at the closing trading price of REIT Units, Series A on the date of such issuance). Immediately after Closing, Dundee REIT would qualify as a “real estate investment trust” for purposes of the Tax Act, assuming that the taxation year or fiscal period, as the case may be, of Dundee REIT and each of its Subsidiaries had ended immediately before Closing, that a new one began at Closing and ended on December 31, 2007, that the transactions described in Section 2.5(3)(h) of the Disclosure Letter were undertaken by Dundee REIT and its Subsidiaries immediately before Closing and that no transactions would be undertaken by Dundee REIT

or its Subsidiaries after Closing and before January 1, 2008 that would prevent Dundee REIT from so qualifying as a “real estate investment trust”.

21. **Intellectual Property.** (i) Dundee REIT and its Subsidiaries own or are validly licensed (and are not in breach of such licenses) all patents, trade-marks, trade names, service marks, copyrights, know-how and all other intellectual property and proprietary rights that are material to the conduct of the business, as presently conducted, of Dundee REIT and its Subsidiaries taken as a whole (collectively, the “**Intellectual Property Rights**”); (ii) all such Intellectual Property Rights are sufficient for conducting the business, as presently conducted, of Dundee REIT and its Subsidiaries taken as a whole; and (iii) all such Intellectual Property Rights do not infringe in any way upon any third parties’ intellectual property and proprietary rights and no event will occur as a result of the transactions contemplated hereby that would render invalid or unenforceable any such Intellectual Property Rights.
22. **Environmental, Health and Safety Matters.**
- (a) Dundee REIT and its Subsidiaries have all permits, approvals, licenses and other authorizations required under Environmental, Health or Safety Laws for the ownership and operation of its business as presently conducted. To the knowledge of Dundee REIT (provided that for purposes of this Section 22, references to “knowledge” with respect to health and safety matters are limited to actual knowledge without enquiry), all tenants located on Company Properties have all permits, approvals, licenses and other authorizations required under Environmental, Health or Safety Laws for the ownership and operation of their business as presently conducted. All permits, approvals, and licenses issued under Environmental, Health or Safety Laws relating to Company Properties are in full force and effect. The Disclosure Letter contains a list of all environmental site assessments and environmental reports that are in the Vendors’ or any Subsidiaries of the Vendors’ possession or control relating to Company Properties (collectively, the “**Environmental Reports**”).
 - (b) Except as disclosed in the Environmental Reports, (i) there are no material violations of any applicable Environmental, Health or Safety Law or circumstances which could give rise to any Liability under any applicable Environmental, Health or Safety Law; (ii) to the knowledge of Dundee REIT, none of Dundee REIT or any of its Subsidiaries has received any written communication from any Governmental Authority or other Person alleging that Dundee REIT or any of its Subsidiaries is not in such compliance; and (iii) to the knowledge of Dundee REIT, none of the tenants located on Company Properties has received any written communication, from any Governmental Authority or other Person alleging that they are not in compliance with applicable Environmental Health or Safety Law.
 - (c) Except as disclosed in the Environmental Reports, there are no Hazardous Materials present at, on in or under any Company Properties. To the knowledge of Dundee REIT, none of the tenants located on Company Properties has Released any Hazardous Material at, on, in or under any Company Properties.
 - (d) There is no material Environmental, Health or Safety Claim pending or, to the knowledge of Dundee REIT, threatened against Dundee REIT or any of its Subsidiaries. To the knowledge of Dundee REIT, there is no material Environmental, Health or Safety Claim pending or threatened against any tenant located on Company Properties relating to Company Properties.
 - (e) (A) Neither Dundee REIT nor any of its Subsidiaries, or to the knowledge of Dundee REIT no tenant located on Company Properties with respect to tenant activities on Company Properties, has entered into or agreed to any consent decree or order or is a party to any judgment, decree or judicial order relating to compliance with Environmental, Health or Safety Laws or the investigation, sampling, monitoring, treatment, remediation, removal or Clean-Up of Hazardous Material that has not been resolved in all respects, and no investigation, litigation or other proceeding is pending or, to the knowledge of Dundee REIT, threatened with respect to any of the foregoing; and (B) neither Dundee REIT nor any of its Subsidiaries, or to the knowledge of Dundee REIT no tenant located on Company Properties with respect to tenant activities on Company Properties, has assumed, by contract or operation of Law or otherwise, any Liability under any Environmental, Health or Safety Law or relating to any Hazardous Material, or is an indemnitor in connection with any threatened or asserted claim by any third-party indemnitee for any Liability under any Environmental, Health or Safety Law or relating to any Hazardous Material.

23. Employee Plans.

- (a) (i) Each Employee Plan has been registered (if applicable) and is in material compliance with and is being administered and operated in accordance with its terms and applicable Law in all material respects; (ii) except as disclosed in the Disclosure Letter, no claim, action or litigation, has been made, commenced or, to the knowledge of Dundee REIT, threatened with respect to any Employee Plan (other than routine claims for benefits payable in the ordinary course, and appeals of denied routine claims); and (iii) all material contributions and all premiums payable by Dundee REIT or any of its Subsidiaries or relating to the employees of Dundee REIT or its Subsidiaries in respect of each Employee Plan have been paid in a timely fashion in accordance with the terms of each such Employee Plan and applicable Laws and, in particular all contribution holidays have been permitted by the terms of the Employee Plans and applicable Laws. All contributions and premiums with respect to each Employee Plan for the period up to the Closing even though not otherwise required to be paid until a later date have been made in full or full and adequate disclosure of such contributions and premiums have been made in the Books and Records. With respect to each Employee Plan, Dundee REIT has delivered or made available to the Purchaser a complete copy of such Employee Plan. With respect to each Benefit Plan that is a registered pension plan, (i) sufficient assets exist in such plan to satisfy requirements to distribute surplus assets allocable to partial plan wind-ups declared under such plan prior to the Closing Date, and (ii) no defined benefit entitlements exist under such plan that are not fully satisfied (including commutation rights) by one or more group annuities which remains in full force and effect.
- (b) No amendments to any Employee Plan have been promised and no amendments to any Employee Plan will be made or promised prior to the Closing Date which affect or pertain to the employees of Dundee REIT or any of the Subsidiaries.
- (c) The Disclosure Letter sets forth a correct and complete list of all employee benefit, health, welfare, pension, deferred compensation, stock compensation, stock option or purchase, retirement plans or arrangements applicable to present or former employees, directors or trustees of Dundee REIT and its Subsidiaries which are currently maintained or participated in by Dundee REIT and its Subsidiaries.

24. Labour Matters.

- (a) Neither Dundee REIT nor any Subsidiary is a party to or is bound by any contract with or commitment to any trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent (collectively called "labour representatives") and neither Dundee REIT nor any Subsidiary has conducted negotiations with respect to any such future contracts or commitments and no labour representatives hold bargaining rights with respect to any employees of Dundee REIT or any Subsidiary. No labour organization or group of employees of Dundee REIT or any of its Subsidiaries has made a pending demand for recognition or certification, and there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or threatened to be brought or filed, with any labour relations tribunal or authority. There are no organizing activities (to the knowledge of Dundee REIT), strikes, work stoppages, slowdowns, lockouts, material arbitrations or material grievances, or other material labour disputes pending or, to the knowledge of Dundee REIT, threatened against or involving Dundee REIT or any of its Subsidiaries, nor have there been any such events or occurrences at any point since January 1, 2004.
- (b) Neither Dundee REIT nor any of its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal, unjust dismissal or any other tort claim, actual or, to the knowledge of Dundee REIT, threatened, or any litigation, investigation, arbitration or grievance, actual or threatened, relating to employment or termination of employment of the In-Scope Employees.
- (c) With respect to the In-Scope Employees, each of Dundee REIT and its Subsidiaries has operated in accordance with all applicable Laws with respect to employment and labour, including any pay equity and employment equity Laws and there are no current, pending or, to the knowledge of Dundee REIT, threatened proceedings before any board or tribunal with respect to any employment or labour matters relating to the In-Scope Employees.
- (d) Except as is disclosed in the Disclosure Letter, neither Dundee REIT nor any of its Subsidiaries is a party to or bound by any written contract or commitment with respect to the In-Scope Employees in connection with employment which is not terminable upon the giving of reasonable notice in accordance with Law,

or which provides for bonus, severance, termination of employment, retirement or similar payments, or any accelerated or enhanced payment or benefit upon or in connection with the consummation of the transaction contemplated by this Agreement or upon the execution and delivery of this Agreement (in either case, either alone or in conjunction with any other event). The chart provided by Dundee REIT to Purchaser quantifying amounts payable under severance, retention, and transaction bonus arrangements maintained by Dundee REIT or any of its Subsidiaries is accurate in all respects. Neither Dundee REIT nor any of its Subsidiaries has any obligation to make any additional payments or tax gross-up payments of any kind to any individual in connection with the imposition of any excise taxes under Section 4999 of the Internal Revenue Code as a result of any amount paid or payable (whether in cash, property, or in the form of other benefits) by Dundee REIT or any of its Subsidiaries in connection with the transactions contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event). In the event that any amount paid or payable (whether in cash, in property, or in the form of benefits) by Dundee REIT or any of its Subsidiaries in connection with the transaction contemplated hereby (either solely as a result thereof or as a result of such transactions in conjunction with any other event) would constitute “excess parachute payments” within the meaning of Section 280G of the Internal Revenue Code then Dundee REIT will withhold the appropriate amounts.

- (e) There are no agreements or undertakings by Dundee REIT or any of the Subsidiaries to provide post-retirement benefits to any of their respective present or former trustees, directors, officers or employees.
 - (f) The Disclosure Letter sets out (i) an accurate list of the annual compensation entitlements of all In-Scope Employees, notwithstanding that they may have been laid off or terminated from employment or on a short-term, long term, parental or other approved or unapproved leave, together with the location of their employment; (ii) an accurate list of the date each such individual or entity was hired or retained by Dundee REIT or a Subsidiary, as applicable; and (iii) where such individual works part-time, an accurate list of the individual’s weekly hours of work.
 - (g) All vacation time and pay for In-Scope Employees is properly reflected and accrued in the books and accounts of Dundee REIT and its Subsidiaries.
 - (h) All salary, wages or other amounts payable to the In-Scope Employees have been paid to the In-Scope Employees and, where such amounts become payable prior to the Closing Date, will be paid to the In-Scope Employees as and when they become payable.
25. **Vote by Trustees and Senior Officers.** After reasonable inquiry the Board has been advised and believes that each trustee of Dundee REIT and each officer of Dundee REIT intends to vote his or her Units, or cause his or her Units to be voted, in favour of the transactions contemplated hereby.
26. **Circular.** None of the information to be supplied by Dundee REIT or any of its Subsidiaries for inclusion or incorporation by reference in the Circular will, at the time of the mailing of the Circular, contain any material misstatement, untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.
27. **Sufficiency of Assets.** Dundee REIT and its Subsidiaries own good and marketable title to all of their assets constituting personal property material to their business, free and clear of all Encumbrances, except Permitted Encumbrances. Such assets (including all assets held by Dundee REIT and its Subsidiaries under leases) include all tangible and intangible personal property, contracts and rights necessary or required for the operation of the businesses of Dundee REIT and its Subsidiaries as currently conducted.
28. **Personal Data/Privacy.** All Personal Data that Dundee REIT or its Subsidiaries has shared, or will share, with the Purchaser, or that will be transferred to the Purchaser pursuant to the terms of this Agreement, has been collected, maintained and used at all times in compliance with (i) the requirements of all applicable Laws relating to Data Subjects (“**Applicable Privacy Laws**”), and (ii) policies and practices relating to Personal Data that Dundee REIT or its Subsidiaries has communicated to Persons about whom the Personal Data relates (“**Data Subjects**”). Neither Dundee REIT’s nor its Subsidiaries’ sharing of Personal Data with Purchaser, nor Dundee REIT’s or its Subsidiaries’ transfer of Personal Data to the Purchaser pursuant to the terms of this Agreement, will materially breach any of Dundee REIT’s or its Subsidiaries’ obligations under Applicable Privacy Laws, agreements to which Dundee REIT or its Subsidiaries is a party, or policies relating to Personal Data that Dundee REIT or its Subsidiaries has communicated to Data Subjects.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES
OF GE AND THE PURCHASER

1. **Organization.** GE has been duly formed and is existing as a general partnership under the *Partnership Act* (Ontario). Each of the partners of GE has the power and authority to own its properties and conduct its business as presently owned and conducted. At Closing, the Purchaser will have been duly formed under applicable Law, and the Purchaser (or each of the partners thereof) will have the requisite power and authority to own its properties and conduct its business as then owned and conducted.
2. **Authority.** GE has, and at Closing the Purchaser will have, the requisite power and authority to enter into this Agreement and to perform their respective obligations hereunder. The execution and delivery of this Agreement and the consummation by GE of the transactions contemplated by this Agreement have been duly authorized, and no other proceedings on the part of GE are necessary, or at Closing on the part of the Purchaser will be necessary, to authorize this Agreement or the transactions contemplated hereby.
3. **Execution.** This Agreement has been duly executed and delivered by GE and constitutes a valid and binding obligation of each of the partners of GE, enforceable against each such partner in accordance with its terms subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.
4. **No Violations.** Subject to the receipt of the Regulatory Approvals, the execution and delivery by GE of this Agreement and performance by GE and the Purchaser of their respective obligations hereunder and the completion of the transactions contemplated hereby, will not result (with or without notice or the passage of time) in a violation or breach of, require any consent to be obtained under, constitute a default under any provision of, or give rise to any termination rights under any provision of:
 - (a) the constating documents of GE or the Purchaser; or
 - (b) to the knowledge of GE, any applicable Laws.
5. **Required Authorizations.** Except in connection with the Regulatory Approvals, there is no requirement for GE or the Purchaser to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Authority as a condition to the lawful completion of the transactions contemplated by this Agreement.
6. **Required Consents.** No consent, approval, order or authorization of, or declaration or filing with, any Governmental Authorities is required to be obtained by GE or the Purchaser in connection with the execution and delivery of this Agreement other than those which are contemplated by this Agreement.
7. **Financing Arrangements.** GE has sufficient funds, or adequate arrangements for financing in place to ensure that it will have sufficient funds, to pay the Purchase Price and make all other payments under this Agreement. As of the date hereof, GE has total assets in excess of \$5,000,000,000.
8. **Residency.** At Closing, the Purchaser that acquires the Purchased Units will be a resident of Canada or a "Canadian partnership" for purposes of the Tax Act.

SCHEDULE D
REGULATORY APPROVALS

1. Competition Act Clearance:

Competition Act Clearance shall have been obtained, which for these purposes means:

- (a) the issuance of an advance ruling certificate issued by the Commissioner of Competition appointed pursuant to the Competition Act pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement;
- (b) the Purchaser and Dundee REIT have given the notice under section 114 of the Competition Act with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the Competition Act has expired or been waived in accordance with the Competition Act; or
- (c) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act.

and, in the case of (b) or (c), the Purchaser has been advised in writing by the Commissioner of Competition or a person authorized by the Commissioner of Competition that such person is of the view, at that time, that, in effect, there are not sufficient grounds to initiate proceedings before the Competition Tribunal under the merger provisions of the Competition Act with respect to the transactions contemplated by this Agreement, and the form of and any terms and conditions attached to any such advice are acceptable to the Purchaser and such advice has not been rescinded or amended.

2. Investment Canada Act Approval:

The Purchaser shall have been advised in writing that the Minister is satisfied, or the Minister is deemed to be satisfied, that the acquisition of the assets of Dundee REIT contemplated by this Agreement is likely to be of net benefit to Canada.

3. Toronto Stock Exchange:

The Purchaser shall have received evidence satisfactory to it, acting reasonably, of the approval of the TSX to the transactions contemplated hereby, subject to customary conditions imposed by the TSX.

**SCHEDULE E
CONSTATING DOCUMENTS AMENDMENTS
TERM SHEET**

THE FOLLOWING AMENDMENTS SHALL BE SUBMITTED TO THE DUNDEE REIT UNITHOLDERS FOR APPROVAL:

(1) Dundee REIT — Amended and Restated Declaration of Trust made as of May 16, 2006

<u>EXISTING PROVISION</u>	<u>PROPOSED AMENDMENTS</u>
s. 1.8. Fund cannot take any action that would prevent it from qualifying as a “mutual fund trust” or “registered investment”.	Fund cannot take any action that would prevent it from qualifying as a “mutual fund trust”, “registered investment” or a “real estate investment trust” and Fund cannot take any action that, at any time prior to January 1, 2008, would cause the Fund to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act.
s. 2.2 Dundee Corporation (“DC”) has the right to appoint up to a majority of Trustees less one provided it owns at least 4,000,000 Units and/or LP Class B Units, Series 1	1. General Electric Capital Canada and its successors and assigns (“GE”) to have right to appoint Trustees as follows: (a) if GE and its affiliates own 20% or more of the Units, it shall have the right to appoint two Trustees; or (b) if GE and its affiliates own less than 20% but more than 10% of the Units, it shall have the right to appoint one Trustee. 2. DC has the right to appoint up to a majority of Trustees less one provided it owns at least 2,000,000 Units and/or LP Class B Units, Series 1
s.3.2(i) Requires systems to monitor status as “mutual fund trust” and “registered investment”.	Systems should include monitoring of “normal growth” prior to January 1, 2008 and monitoring of status as “real estate investment trust”. Remove monitoring with respect to “foreign property” status of the Units and Part XI tax.
s.4.1 Investment guidelines ensure no steps that would result in the Fund failing or ceasing to qualify as a “mutual fund trust” or a “registered investment”.	No steps can be taken that would result in the fund failing or ceasing to qualify as a “mutual fund trust”, “registered investment” or a “real estate investment trust” and Fund cannot take any action that, at any time prior to January 1, 2008, would cause the Fund to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act. Remove investment guidelines relating to Part XI tax and foreign property status of Units.
s. 5.4 Pre-Emptive Rights of DC	Pre-Emptive Rights for both DC and GE in accordance with their respective ownership interests
s. 5.24 Redemption of REIT Units	Allow for one time partial redemption by REIT of REIT Units, Series A and REIT Units, Series B at a price of

EXISTING PROVISION

PROPOSED AMENDMENTS

s. 5.26 Purchase of Units

\$47.50 per Unit on a pro-rata basis in connection with the sale transaction to be voted on by Unitholders

For purposes of the Declaration of Trust, including Article 9, the provisions of s. 5.24(i) will apply, mutatis mutandis, as if a purchase of Units for cancellation were a redemption.

s. 8.2 Investment Committee — approval required for (i) proposed acquisitions and dispositions, (ii) proposed transactions, and (iii) all financing arrangements and assumption or granting of any mortgages other than renewals of existing mortgages

Investment Committee may delegate investment decisions to senior management of REIT and/or DPLP.

10.1 Expenses cannot jeopardize status as “mutual fund trust”.

Expenses should not jeopardize status as “mutual fund trust” or “real estate investment trust”.

11.1 Amendments permitted to preserve status as “mutual fund trust, “unit trust” and “registered investment” and not permitted to the extent that Fund would fail or cease to qualify as a “mutual fund trust”, “unit trust” or “registered investment”.

Amendments permitted to preserve status as “mutual fund trust, “real estate investment trust”, “unit trust” and “registered investment” and not permitted to the extent that Fund would fail or cease to qualify as a “mutual fund trust”, “real estate investment trust”, “unit trust” or “registered investment”.

s. 11.3 For so long as any of the circumstances entitling DC to appoint on or more Trustees, DC to approve any amendment to s. 2.2 (Appointment of Trustees) and s. 11.3

For so long as any of the circumstances entitling DC or GE, as the case may be, to appoint one or more Trustees, any proposed amendment to s. 2.2 or s. 11.3 which may adversely affect the right of DC or GE, as the case may be, to appoint Trustees in accordance with s. 2.2 shall require the approval of DC or GE, as the case may be.

Schedule A-2 Conversion of REIT Units, Series B into REIT Units, Series A

No conversion if significant risk to the Fund’s status as a “unit trust”, “mutual fund trust”, “real estate investment trust” or a “registered investment” or risk that, at any time prior to January 1, 2008, Fund would exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or be subject to tax under paragraph 122(1)(b) of the Tax Act.

(2) Governance Agreement made as of November 5, 2003

EXISTING PROVISION

PROPOSED AMENDMENTS

s 3.1 Dundee Properties (GP) Inc. (“DPGP”) shall not exercise its discretion pursuant to s. 7.2(f) of DPLP’s Partnership Agreement without Trustees approval

to be deleted

s. 3.2 DPGP shall not approve any investments, acquisitions or dispositions by DPLP greater than \$5 million net of any assumed or arranged mortgage debt without approval of Investment Committee

to be deleted

(3) Dundee Properties Limited Partnership (“DPLP”) Amended and Restated Limited Partnership Agreement made as of May 12, 2006

<u>EXISTING PROVISION</u>	<u>PROPOSED AMENDMENTS</u>
s. 2.4 Partnership Business principally in Canada and US	Partnership Business exclusively in Canada
s. 6.2 Allocation of Taxable Income and Tax Losses	All Taxable Income arising in connection with the transactions shall be allocated to the Holders of LP Units pro-rata based upon the distribution of the proceeds from such transactions and treating a redemption of partnership units as a distribution for purposes of the partnership income allocation provisions.
ss. 7.1(a) Investment guidelines ensure no steps that would result in the Fund failing or ceasing to qualify as a “mutual fund trust” or a “registered investment”.	No steps can be taken that would result in the Fund failing or ceasing to qualify as a “mutual fund trust”, “registered investment” or a “real estate investment trust” and Fund cannot take any action that, at any time prior to January 1, 2008, would cause the Fund to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act.
ss. 7.1(f) Invest only in equity interests in revenue producing properties	Invest only in equity interests in office and industrial revenue producing properties
ss. 7.1(m) Investment of non qualifying investments up to 10% of equity so long as they meet ss. 7.1(a)	Investment of non qualifying investments up to 25% of equity so long as they meet ss. 7.1(a)
ss. 7.1(n) Only properties in Canada and US	Only office and industrial real properties in Canada
ss. 7.1(b), (c), (d), (e), (g), (h), (j) and (k)	to be deleted
ss. 7.2(d) Construction and development permitted for maintenance of real property or enhancing the revenue stream from real property	Construction and development permitted provided it is not on a brownfield site and otherwise meets Investment Guidelines and Operating Policies
ss. 7.2(f) debt limitations 65% of GBV on debt or 70% with undrawn facilities	to be deleted
ss. 7.2(g) no more than 15% of GBV in floating rate debt	to be deleted
ss. 7.2(h) No new debt in excess of 75% of market value of a property	to be deleted
ss. 7.2(i) no guarantees on third party debt except as part of a Co-owners Agreement	Same but add partnerships, limited partnerships and other joint ventures
ss. 7.2(k) Appraisals required on each property purchase	to be deleted
s. 15.2 Amendments not permitted to the extent that Fund would fail or cease to qualify as a “mutual fund trust” or “registered investment”.	Amendments not permitted to the extent that Fund would fail or cease to qualify as a “mutual fund trust”, “real estate investment trust” or “registered investment”. Remove reference to foreign property status of partnership units.
ss 3.1(a) of Schedule A-2 — Potentially provides LP Class B Units, Series 1 with priority on payment of distributions by DPLP	Change to provide simultaneous payment of distributions with other existing LP Units held by OTA and OTB. Replace end of paragraph with words: “unless corresponding distributions are paid in respect of the Series 1 Units;”

EXISTING PROVISION

PROPOSED AMENDMENTS

s. 4.3 of Schedule A-2 No delivery of units if significant risk to the Fund's status as a "unit trust", "mutual fund trust" or a "registered investment".

No delivery of units if significant risk to the Fund's status as a "unit trust", "mutual fund trust", "real estate investment trust" or a "registered investment" or risk that, at any time prior to January 1, 2008, Fund would exceed "normal growth" as determined by the "normal growth guidelines" issued by the Department of Finance on December 15, 2006, as amended from time to time, or be subject to tax under paragraph 122(1)(b) of the Tax Act.

s. 5.6 of Schedule A-2 No obligation to accept Units if significant risk to the Fund's status as a "unit trust", "mutual fund trust" or a "registered investment".

No obligation to accept units if significant risk to the Fund's status as a "unit trust", "mutual fund trust", "real estate investment trust" or a "registered investment" or risk that, at any time prior to January 1, 2008, Fund would exceed "normal growth" as determined by the "normal growth guidelines" issued by the Department of Finance on December 15, 2006, as amended from time to time, or be subject to tax under paragraph 122(1)(b) of the Tax Act.

Add New Provision

Allow for purchase for cancellation of partnership units by DPLP in connection with the sale transaction to be voted on by Unitholders

(4) Amended and Restated Exchange and Support Agreement made as of June 14, 2005

EXISTING PROVISION

PROPOSED AMENDMENTS

Schedule A-1 (LP Class A Unit Provisions) and Schedule A-3 (LP Class B Units, Series 2 Provisions)
s. 3.15(d) Restriction against exchange if significant risk to the Fund's status as a "unit trust", "mutual fund trust" or a "registered investment".

Restriction against exchange if significant risk to the Fund's status as a "unit trust", "mutual fund trust", "real estate investment trust" or a "registered investment" or risk that, at any time prior to January 1, 2008, Fund would exceed "normal growth" as determined by the "normal growth guidelines" issued by the Department of Finance on December 15, 2006, as amended from time to time, or be subject to tax under paragraph 122(1)(b) of the Tax Act.

(5) Amended and Restated OTA Declaration of Trust made as of June 30, 2003

EXISTING PROVISION

PROPOSED AMENDMENTS

s. 5.4 Investment guidelines ensure no steps that would result in the Fund failing or ceasing to qualify as a "mutual fund trust", "unit trust" or a "registered investment".

No steps can be taken that would result in the fund failing or ceasing to qualify as a "mutual fund trust", "unit trust", "registered investment" or a "real estate investment trust" and Fund cannot take any action that, at any time prior to January 1, 2008, would cause the Fund to exceed "normal growth" as determined by the "normal growth guidelines" issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act.

Add New Provision

Allow for partial redemption by OTA of trust units in connection with the sale transaction to be voted on by Unitholders

(6) Amended and Restated OTB Declaration of Trust made as of June 30, 2003

EXISTING PROVISION

s. 5.4 Investment guidelines ensure no steps that would result in the Fund failing or ceasing to qualify as a “mutual fund trust”, “unit trust” or a “registered investment”.

Add New Provision

PROPOSED AMENDMENTS

No steps can be taken that would result in the fund failing or ceasing to qualify as a “mutual fund trust”, “unit trust”, “registered investment” or a “real estate investment trust” and Fund cannot take any action that, at any time prior to January 1, 2008, would cause the Fund to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act.

Allow for partial redemption by OTB of trust units in connection with the sale transaction to be voted on by Unitholders

**SCHEDULE F
FORM OF ASSET MANAGEMENT AGREEMENT**

[INTENTIONALLY OMITTED]

SCHEDULE G
ADMINISTRATIVE SERVICES AGREEMENT TERM SHEET

Parties to the Administrative Management Agreement for each Property	<ul style="list-style-type: none">• General Electric Capital Canada (the “Client”)• Dundee Management Limited Partnership (“DMLP”)
Term	<ul style="list-style-type: none">• 2 year term subject to Tax Matters below• Client has the right to terminate on 30 days’ written notice provided Client shall pay to DMLP all earned and unpaid amounts due under the Agreement, together with any other charges which have been previously approved by the Client and are to be reimbursed by the Client
Services	<ul style="list-style-type: none">• Toronto Shared Services for the use of office space at Suite 1600 at the State Street Premises, together with the use, on an as required basis and upon reasonable notice, of additional office premises, boardrooms and other meeting room space in the balance of the State Street Premises and all related ancillary services and expenses• office services for personnel located at the State Street Premises including printers, faxes, photocopiers and the use of communications services, reception, mailroom, filing, etc.• information systems and related support systems services• the provision of tenant support systems (using Angus Anywhere)• the provision of leasing support systems (using [Real Lease])• the provision of property maintenance support systems (using Angus Maintenance)• the provision of human resource and payroll services• the provision of regulatory compliance services• the provision of risk management and insurance services• promptly notifying the Client of any event known to DMLP that might reasonably be expected to have a material adverse effect on the affairs of the Client• payroll services, group benefit plans and human resources support for employees of the Client• corporate accounting services to assist in preparation of financial statements and reports to GE• taxation services to assist in preparation of income tax and GST tax returns• lease administration services to record leases into the lease information systems• accounts payable services for payment of all costs and expenses related to the GE properties• such other services as may be reasonably requested by the Client from time to time and which DMLP agrees, acting reasonably, to perform
Fees	<ul style="list-style-type: none">• Client to pay DMLP a monthly services fee sufficient to reimburse DMLP for expenses incurred in providing services, including ancillary expenses incurred in providing services

Expenses

- Client shall reimburse DMLP for (i) all personnel costs, (ii) all out-of-pocket expenses and (iii) all allocated expenses for human resources, office services, Toronto Shared Services, licensing costs and information systems, in a substantially similar manner to the allocation of expenses used in the existing Administrative Services Agreement between Dundee Realty Corporation and DMLP. Where personnel are involved in providing services to both the Client and DMLP there will be a reasonable methodology for allocating the Expenses between the Client and DMLP.

Final Statement

- Within 30 days after the end of the term, DMLP shall deliver to the Client a statement setting out the actual expenses for the provision of the services calculated in accordance with the Administrative Services Agreement
- Client shall have 30 days to make any objections to the final statement and any disputes shall be settled by referral to an independent auditor
- DMLP and Client shall make any readjustments necessary as a result of the final statement

Migration

- DMLP shall provide services and assistance in connection with the migration of each of the above services as applicable from being services provided by DMLP to being services autonomously provided by the Client for itself

No Liability

- DMLP shall not be liable, answerable or accountable to Client for any loss or damage resulting from, incidental to or relating to the provision of services by DMLP, including any exercise or refusal to exercise a discretion, any mistake or error of judgement or any act or omission believed by DMLP to be within the scope of authority conferred on it, unless such loss or damage resulted from the fraud, wilful default or omission, negligence or unlawful act of DMLP in performing its obligations

No Restriction on DMLP

- Nothing herein shall prevent DMLP or any of its affiliates or associates or any of their respective officers, directors or employees from having other business interests, even though such business interests may be similar to or competitive with the affairs of the Client or any of their subsidiaries and DMLP and its affiliates and associates shall not be obligated to offer any business opportunities to Client or any of their subsidiaries. DMLP and its affiliates and associates and their respective directors, officers and employees shall have the right independently to engage in and receive the full benefits from business activities whether or not similar to or competitive with the affairs of the Client or their subsidiaries, without consulting the Client
- To the extent there is a conflict of interest between DMLP acting in that capacity and the Client in respect of any matter, such matter will be required to be dealt with by the Client
- DMLP shall not be considered to be a fiduciary of the Client by reason of performing the services and no other obligations, duties or standard of care shall be implied and no different standard shall be imposed by any law, rule or regulation or otherwise in respect of services and the Client agrees that it shall not seek to have any different standard imposed

- In the event of any conflict of interest between DMLP acting in that capacity and the Client in respect of any matter, DMLP shall give prompt written notice to the Client prior to taking any action in respect of such matter setting forth the reason for such conflict. Client shall take all such actions or make all such decisions relating to the matters giving rise to the conflict of interest and for this purpose the Client shall be entitled to deduct from any amount or fees payable to DMLP pursuant to Article 4 hereof, any amounts reasonably required to be paid by the Client to a third party for administrative services (other than for out-of-pocket fees, costs and expenses incurred by the third party) intended to be included in the Services provided by DMLP which DMLP is unable to provide due to such conflict.
- Client acknowledges that conducting the activities contemplated herein may have the incidental effect of providing additional information with respect to or augmenting the value of properties in which DMLP or its affiliates or associates have an interest and Client agrees that, subject to the confidentiality obligations described below, neither DMLP nor its affiliates or associates shall be liable to account to Client with respect to such activities or results
- DMLP shall indemnify and hold harmless Client from and against any and all losses arising or resulting from or connected with: (a) wilful default or any fraudulent, negligent or unlawful act or omission on the part of DMLP or its officers, directors, employees or agents; and (b) any breach or non-performance by DMLP of any of its material obligations
- Client shall indemnify and hold harmless DMLP, its officers, directors, employees and agents from and against any and all losses arising or resulting from or connected with: (a) wilful default or any fraudulent, negligent or unlawful act or omission of Client or its officers, directors, employees or agents, as applicable; (b) any breach or non-performance by Client of any of its material obligations; and (c) the lawful performance by DMLP of its obligations under the Administrative Services Agreement or pursuant to and in accordance with written instructions of Client.

Indemnities

Client Duties on Termination

Upon expiry or earlier termination of the Administrative Services Agreement, Client shall:

- assume all contracts entered into by DMLP with the express written consent of the Client relating solely to the services exclusively on behalf of the Client and not other clients of DMLP, and indemnify DMLP from and after the effective date of termination of the Administrative Services Agreement against any liability by reason of anything done or required to be done under any such contracts
- pay for and indemnify DMLP against the costs of all services, materials and supplies, if any, which may have been ordered by Client in accordance with the Administrative Services Agreement but which may not have been paid by Client and reimbursed under the Administrative Services Agreement at the time of termination if such services, materials and supplies have been ordered in accordance with the provisions of the Administrative Services Agreement
- Pay to DMLP all unpaid fees earned and expenses accrued prior to the effective date of such termination

Employees after Termination

- Except as may be required by law, provided DMLP does not require the continued services of any of its employees involved in the provision of the services following the termination of the Administrative Services Agreement, Client may make offers of employment to such employees. In respect of any obligations or Liabilities for wages, severance pay, termination pay, notice of termination of employment or pay in lieu of such notice, damages for wrongful dismissal or other employee benefits or claims (including vacation pay) relating to employees involved in the provision of services, Client and DMLP shall assume liabilities and indemnify each other in the manner provided for under subsections 4.8(1) to 4.8(5) of the Purchase Agreement, mutatis mutandis.

Confidentiality

- All information received by DMLP shall be held in confidence and used only in the course of performing its duties. DMLP shall not disclose such information to any Person and shall advise its agents, contractors, representatives, employees or other staff of the confidential nature of such information.

Tax Matters

- The Client acknowledges and agrees that:
 - (a) DMLP cannot take any action that would prevent Dundee REIT from qualifying as a “mutual fund trust”, “registered investment” or a “real estate investment trust”, nor can it take any action that, at any time prior to January 1, 2008, would cause Dundee REIT to exceed “normal growth” as determined by the “normal growth guidelines” issued by the Department of Finance on December 15, 2006, as amended from time to time, or to be subject to tax under paragraph 122(1)(b) of the Tax Act; and
 - (b) DMLP or its partners may, on the advice of Dundee REIT’s advisors, take whatever action is reasonably required to ensure compliance with paragraph (a) above including, without limitation, assigning this Agreement and the benefits and obligations set out herein to Dundee Realty Corporation and the Client shall consent to and assist DMLP in taking such actions, provided that the quality and extent of the services to be provided to the Client are not materially adversely affected as a result of DMLP taking such actions.

**APPENDIX F
AMENDMENT TO PURCHASE AGREEMENT**

GENERAL ELECTRIC CAPITAL CANADA

and

DUNDEE REAL ESTATE INVESTMENT TRUST

and

DUNDEE PROPERTIES OPERATING TRUST A

and

DUNDEE PROPERTIES OPERATING TRUST B

and

**DUNDEE PROPERTIES (GP) INC., IN ITS CAPACITY AS SOLE
GENERAL PARTNER OF DUNDEE PROPERTIES LIMITED PARTNERSHIP**

AMENDMENT TO PURCHASE AGREEMENT

Dated as of July 13, 2007

AMENDMENT TO PURCHASE AGREEMENT (“Amendment”) made as of July 13, 2007 between GENERAL ELECTRIC CAPITAL CANADA (“**GE**”), DUNDEE REAL ESTATE INVESTMENT TRUST (“**Dundee REIT**”), DUNDEE PROPERTIES OPERATING TRUST A (“**Trust A**”), DUNDEE PROPERTIES OPERATING TRUST B (“**Trust B**”) and DUNDEE PROPERTIES (GP) INC., in its capacity as sole general partner of DUNDEE PROPERTIES LIMITED PARTNERSHIP (“**Dundee Properties LP**”, and together with Dundee REIT, Trust A and Trust B, the “**Vendors**”).

RECITALS:

- A. GE and the Vendors are parties to a purchase agreement dated June 3, 2007 (the “**Purchase Agreement**”) regarding, among other things, the sale of certain assets of the Vendors to GE.
- B. The parties wish to amend the Purchase Agreement in the manner set out in this Amendment.

NOW THEREFORE, the parties agree as follows:

- 1. Capitalized terms not otherwise defined in this Amendment shall have the meanings given to them in the Purchase Agreement.

Amendments

- 2. Schedule F of the Purchase Agreement is hereby amended by replacing the form of asset management agreement between Dundee Realty Corporation and Dundee REIT attached thereto with the form of asset management agreement between Dundee Realty Corporation and Dundee REIT attached to Schedule A of this Amendment.

Acknowledgements

- 3. The parties acknowledge and confirm that, pursuant to Section 4.1(2)(j) of the Purchase Agreement, Dundee REIT will apply all of the proceeds received from the sale of the Purchased Assets to redeem Units from Unitholders at a price of \$47.50 per Unit, notwithstanding the reference in Section 2.8 of the Purchase Agreement to Dundee REIT taking up and paying for Units pursuant to a substantial issuer bid. The parties further confirm that the purchase by the Purchaser of the Purchased Units in accordance with Section 2.8 of the Purchase Agreement will be effected by way of a transfer of Units to the Purchaser.

General

- 4. The Purchase Agreement as amended by this Amendment shall remain in full force and effect.
- 5. This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.
- 6. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns and no third party shall have any rights hereunder.
- 7. Each party hereto shall, from time to time, and at all times hereafter, before and after Closing, at the request of the other party hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent of this Amendment.
- 8. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Delivery of an executed signature page to this Amendment by any party by electronic transmission will be effective as delivery of a manually executed copy of this Amendment by such party.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Amendment as of the date first written above.

GENERAL ELECTRIC CAPITAL CANADA

By: _____ “KATHERINE LEE”
Name: Katherine Lee
Title: Vice President

DUNDEE REAL ESTATE INVESTMENT TRUST

By: _____ “MICHAEL J. COOPER”
Name: Michael J. Cooper
Title: Vice Chairman and Chief Executive Officer

DUNDEE PROPERTIES OPERATING TRUST A

By: _____ “MICHAEL J. COOPER”
Name: Michael J. Cooper
Title: Trustee

DUNDEE PROPERTIES OPERATING TRUST B

By: _____ “MICHAEL J. COOPER”
Name: Michael J. Cooper
Title: Trustee

**DUNDEE PROPERTIES (GP) INC., in its capacity as
sole general partner of DUNDEE PROPERTIES
LIMITED PARTNERSHIP**

By: _____ “MICHAEL J. COOPER”
Name: Michael J. Cooper
Title: Chief Executive Officer

**SCHEDULE A
ASSET MANAGEMENT AGREEMENT**

DUNDEE REALTY CORPORATION

- and -

DUNDEE REAL ESTATE INVESTMENT TRUST

- and -

DUNDEE PROPERTIES LIMITED PARTNERSHIP

- and -

DUNDEE PROPERTIES OPERATING TRUST A

- and -

DUNDEE PROPERTIES OPERATING TRUST B

ASSET MANAGEMENT AGREEMENT

OSLER, HOSKIN & HARCOURT LLP

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SCHEDULE A

DEFINED TERMS

ASSET MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of the _ day of _, 2007.

AMONG:

DUNDEE REALTY CORPORATION

(the “Asset Manager”)

- and -

DUNDEE REAL ESTATE INVESTMENT TRUST, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario

(hereinafter referred to as the “REIT”)

- and -

DUNDEE PROPERTIES LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario

(hereinafter referred to as “DPLP”)

- and -

DUNDEE PROPERTIES OPERATING TRUST A, an unincorporated open-ended unit trust governed by the laws of the Province of Ontario

(hereinafter referred to as “OTA”)

- and -

DUNDEE PROPERTIES OPERATING TRUST B, an unincorporated open-ended unit trust governed by the laws of the Province of Ontario

(hereinafter referred to as “OTB”)

(REIT, DPLP, OTA and OTB are collectively referred to as the “Client”)

WHEREAS the REIT and its Affiliates are engaged in the business of the acquisition leasing and redevelopment of various commercial real properties from time to time (each, a “Property” and collectively the “Properties”);

AND WHEREAS the Client wishes to retain the Asset Manager to provide the services described herein; and

AND WHEREAS capitalized terms not otherwise defined herein shall have the meanings attributed thereto in the attached Schedule A.

NOW THEREFORE in consideration of the payment to the Asset Manager of the amounts set out in Section 7 hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Asset Manager and the Client, the Asset Manager and the Client hereby agree as follows:

1. Engagement.

the Client hereby appoints the Asset Manager, as an independent contractor, and the Asset Manager accepts the appointment, to provide asset management services in accordance with this Agreement.

2. Duties of the Asset Manager.

The Asset Manager shall have and agrees to discharge, and is hereby authorized and directed to discharge, the following duties subject to the overriding supervision and direction of the Trustees of the REIT and the general partner of DPLP, as applicable:

- (a) at the request of the Client to be made generally once per year with occasional updates as requested by the Client, reviewing and providing the Client with recommendations regarding the asset business plan prepared by the Client for each Property, (the “**Asset Business Plans**”), including, among other things:
 - (i) recommendations with respect to the optimal manner in which to manage, operate and Dispose of each of the Properties;
 - (ii) a leasing and marketing strategy so as to maximize the income profile and value of each of the Properties, supported by market-based comparables and competitive information;
 - (iii) recommendations with respect to the individual Properties to be Disposed of in that business year and estimates of gross and net sales proceeds in each case;
 - (iv) a financial analysis of the consolidated performance of the Properties;
 - (v) a detailed review of the submarkets in which each of the Properties are located, including, to the extent available, an overview of the market value and comparable sales which have been used in the preparation of the Asset Business Plans; and
 - (vi) a pro forma of the net sale proceeds together with an explanation of the method of calculation for each Property recommended for sale.
- (b) taking all steps reasonably required to assist the Client in the implementation of each Asset Business Plan, subject to the terms and provisions of this Agreement;
- (c) advising the Client with respect to all Capital Projects that are required or recommended to be implemented with respect to any of the Properties;
- (d) at the request of the Client, reviewing the insurance placed or proposed to be placed respecting each Property and making recommendations with regard thereto to the Client;
- (e) permitting the Client (including, without limitation, auditors, accountants and appraisers retained by the Client) and the Client’s representatives, advisors and agents upon reasonable written notice, to examine all books of account, records, reports and other papers of the Asset Manager relating to the Properties and the services performed for the Client by the Asset Manager under this Agreement, to make copies thereof or extracts therefrom or to have the same audited by an auditor appointed by the Client and at the expense of the Client; and the Asset Manager shall cooperate to enable such persons to carry out their duties to the Client;
- (f) providing and operating the Client’s head office, including providing the office space, equipment, support services and administrative, clerical and secretarial personnel incidental thereto;
- (g) managing day-to-day operations of the Client;
- (h) preparing or overseeing the preparation of annual budgets and the Asset Business Plans for presentation to the Trustees for approval and monitoring the Client’s financial performance;
- (i) maintaining the books and financial records of the Client and preparing reports and other disclosure documents for Trustees and Unitholders;
- (j) advising the Trustees on strategic matters relating to the Properties, potential acquisitions, dispositions and development, and Unit value maximization;
- (k) identifying, structuring and negotiating acquisition, disposition, financing and other transactions and managing due diligence in connection therewith;

- (l) providing advice and assistance in connection with the Client’s borrowings, raising of capital and issuance of securities, including representing the Client in its dealings with banks and other lenders, investment dealers, institutions and investors;
- (m) conducting day-to-day relations on behalf of the Client with third parties, including property managers, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (n) preparing designations, allocations, elections and determinations to be made in connection with the income and capital gains of the Client for tax and accounting purposes;
- (o) managing the Client’s investor relations activities;
- (p) managing the Client’s regulatory compliance, including making all required filings;
- (q) preparing all reports reasonably requested by the Client, including operational reporting such as cash flow by property and by asset types; executive summaries by asset type outlining asset issues along with various other matters and development reporting costs; and
- (r) in respect of each Capital Project:
 - (i) determining the quality and completeness of the design and construction documents;
 - (ii) confirming the reasonableness of the project schedule;
 - (iii) verifying the completeness and adequacy of the construction budget;
 - (iv) confirming the existence and appropriateness of project control procedures;
 - (v) reviewing and commenting on all engineering test data, soils reports, zoning approvals; and
 - (vi) advising the Client of any recommended changes to the construction documents.

Where used in this Section 2, the term “the Client” shall include, where the context permits, any Affiliates of any of the Client which own, directly or indirectly, beneficially or as nominee, any of the Properties

3. The Asset Business Plans.

The Asset Manager acknowledges that the Client may, in respect of any Asset Business Plan, identify target areas or regions or target Properties to be Disposed of and that the recommendations provided by the Asset Manager pursuant to Section 2(a)(iii) hereof shall take such target areas or regions or target Properties into consideration.

4. Integration/Transition.

The Asset Manager acknowledges that it has significant strategic and historical information and experience with respect to each of the Properties and that such information and experience is a key factor in the Client determining to enter into this Agreement with the Asset Manager. The Asset Manager agrees that throughout the Term it will, subject to Applicable Laws and agreements relating to the disclosure of such information:

- (a) at the request of the Client or as required to perform the obligations of the Asset Manager hereunder, provide the Client with access to all strategic and historical information, and
- (b) otherwise use such information and experience in providing the services which the Asset Manager has agreed to and is required to provide hereunder.

5. The Asset Manager’s Conduct.

- (a) The Asset Manager covenants and agrees to perform the services and functions to be performed by it hereunder in an expeditious, ethical, honest, businesslike manner and in keeping with the standards of asset management for commercial/industrial asset management that are customarily employed by asset managers in servicing and managing comparable Properties. The Asset Manager shall comply with all Applicable Laws that relate to the services to be provided under this Agreement.

- (b) In consultation with the Client, the Asset Manager shall maintain an effective system of audits and controls adequate to ensure that the Asset Manager and its agents, representatives and employees are trained to and do perform their respective obligations, meet the requirements of the Asset Manager set forth under this Agreement or pursuant to applicable requirements of Governmental Authorities. In furtherance thereof, the Asset Manager shall obtain and maintain such licenses, permits and other governmental approvals or qualifications required to enable the Asset Manager to perform its obligations hereunder. The Asset Manager shall maintain a file of such documentation as may be required under Applicable Laws and shall make such file available to the Client for inspection upon the Client's reasonable request.
- (c) The Asset Manager hereby acknowledges that it is cognizant of the terms and provisions of the Declaration of Trust and agrees to act in accordance therewith in a competent, honest, diligent and efficient manner, in good faith and further agrees not to cause the REIT to breach any of the terms of the Declaration of Trust.

6. Limitations on Authority.

Notwithstanding anything in this Agreement which is to the contrary, the Asset Manager shall have no authority to act in any manner beyond the scope of this Agreement, without first having obtained the Approval of the Client.

7. Fees.

The Client shall pay to the Asset Manager the following amounts:

- (a) a base annual management fee (the **"Asset Management Fee"**) calculated and payable on a monthly basis in arrears on the first day of each month equal to 0.25% of the Gross Asset Value.

The Asset Management Fee will be payable in arrears in cash. Within 15 days after the audited financial statements for each Fiscal Year are approved by the REIT, an adjustment to the Asset Management Fee paid with respect to the last quarter to which such financial statements relate shall be made between the parties based on actual Gross Asset Value derived from such audited financial statements. If a payment is required to be made by the Asset Manager, such payment may be made in cash to the Client or, at the Asset Manager's option, may be set off from the next payment of Asset Management Fee payable to the Asset Manager.

- (b) an incentive fee (the **"Incentive Fee"**) for each Fiscal Year equal to 15% of the REIT's AFFO Per Unit in excess of \$2.65 (the **"Hurdle Amount"**);

For the purposes of this Section 7(b), **"AFFO Per Unit"** means the quotient obtained by dividing: (i) the sum of (A) the Net Sale Proceeds in excess of the Gross Asset Value of the Disposed Properties in such Fiscal Year; and (B) the REIT's adjusted funds from operations for such Fiscal Year, being Distributable Income for such Fiscal Year, less normalized leasing costs and recurring Capital Expenditures as determined by management of the REIT; by (ii) the total number of issued and outstanding Units and LP Class B Units, Series 1 of DPLP as at the end of such Fiscal Year. In the event the REIT or DPLP is acquired during the Term, there shall be deemed to be a Disposition of all Properties held by the REIT or DPLP, as the case may be, and the calculation of the amount in clause (A) of this definition of AFFO shall be based on the extent to which the deemed Net Sale Proceeds are greater than the Gross Asset Value of the Properties deemed to be Disposed of. The calculation of AFFO Per Unit shall be performed by the Asset Manager and presented to the Audit Committee for approval annually. The Asset Manager shall also prepare an analysis of the AFFO Per Unit calculation published by the investment analysts that follow the REIT for the Audit Committee and explain where possible the differences between the calculations prepared by the Asset Manager and the calculations published by the investment analysts. The Incentive Fee will be payable by the 15th day after the audited financial statements for the Fiscal Year to which such fee relates are approved by the REIT. The Incentive Fee will be paid in cash;

The Hurdle Amount shall be adjusted in a manner to be agreed upon by the Asset Manager and the Client in the event of certain transactions affecting Units or LP Class B Units, Series 1, including any (a) distribution of capital to holders of Units or LP Class B Units, Series 1, (b) subdivision, split or other

division of outstanding Units or LP Class B Units, Series 1 into a greater number of Units or LP Class B Units, Series 1, as the case may be, or (c) combination or consolidation of outstanding Units or LP Class B Units, Series 1 into a smaller number of Units or LP Class B Units, Series 1 (other than an automatic consolidation pursuant to section 5.5 of the Declaration of Trust or similar consolidation undertaken to maintain the same number of units outstanding following a transaction);

- (c) a capital expenditures fee (the “**Capital Expenditures Management Fee**”) payable on an annual basis equal to 5% of all Hard Construction Costs incurred on any Capital Projects. The Capital Expenditures Management Fee will be paid in cash;
- (d) an acquisition fee (the “**Acquisition Fee**”) equal to: (i) 1.0% of the purchase price paid by the Client for the purchase of a property, on the first \$100 million of Properties acquired in each Fiscal Year; (ii) 0.75% of the purchase price paid by the Client for the purchase of a property, on the next \$100 million of Properties acquired in each Fiscal Year, and (iii) 0.50% of the purchase price paid by the Client for the purchase of a property, on Properties in excess of \$200 million acquired in each Fiscal Year; and such Acquisition Fee shall be paid upon the completion of the purchase of each such property. The Acquisition Fee will be paid in cash; and
- (e) a financing fee (the “**Financing Fee**”) equal to 0.25% of the debt and equity of all financing transactions completed for the Client. The parties acknowledge that this fee is intended to cover the actual expenses of supplying services to the Client relating to financing transactions, and is not intended to have a profit component for the Asset Manager or any of its affiliates. Accordingly, at the end of each Fiscal Year, there will be an adjustment made to reflect the actual amount of expenses of supplying such services incurred by the Asset Manager in such Fiscal Year. To the extent that the Financing Fees paid by the Client exceed the actual amount of such expenses, the Asset Manager will reimburse the Client for the difference. To the extent that the Financing Fees charged by the Asset Manager are less than the actual amount of such expenses, the Client will pay the difference as an additional Financing Fee amount. The Financing Fee and any reimbursement will be paid in cash.

8. Expenses.

The Asset Manager shall be reimbursed by the Client for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Asset Manager in connection with the performance of the services described in this Agreement or such other services which the Asset Manager and the Client agree in writing are to be provided from time to time by the Asset Manager, including, but without limitation, the costs and expenses incurred by the Asset Manager for travel, lodging and reasonable and necessary costs for experts and consultants reasonably required by the Asset Manager and approved by the Client. Such costs and expenses shall be paid by the Client within 30 days following receipt by the Client of documentation acceptable to the Client, acting reasonably, evidencing the payment by the Asset Manager of such costs and expenses. For greater certainty, it is acknowledged by the Asset Manager that it is not intended that the Asset Manager be reimbursed hereunder for any overhead or other internal costs and expenses. However, the Client shall provide the Asset Manager with office space, computer services and support, human resource support and office services support as required for the Asset Manager to carry out its duties under this Agreement.

9. Additional Services.

The Client and the Asset Manager may from time to time agree in writing on additional services which are to be provided to the Client by the Asset Manager for which the Asset Manager shall be compensated on terms to be agreed upon between the Asset Manager and the Client prior to the provision of such services.

10. Furnish Asset Files and Information and Cooperation with the Asset Manager.

The Client shall promptly make available to the Asset Manager all files in its possession pertaining to the Properties and shall furnish or cause to be furnished to the Asset Manager such additional information under its possession or control as the Asset Manager reasonably requests with respect to the Properties or the Asset Manager’s performance of the services agreed to be provided from time to time between it and the Asset Manager.

11. Termination without Fault.

This Agreement shall automatically terminate on the earliest of:

- (i) the end of the Term (as extended, if applicable, pursuant to Section 13 hereof);
- (ii) as to any Property, the date such Property ceases to be owned by the Client;
- (iii) the date when all the Properties have been Disposed of by the Client and/or the Affiliates of the Client owning the Properties or when neither the Client nor any of its Affiliates has any direct or indirect ownership interest in any of the Properties.

Upon termination of this Agreement pursuant to this Section 11, and provided the Asset Manager has complied with Section 12(f), the Asset Manager shall be paid all expenses for which it is entitled to be reimbursed hereunder together with any accrued Asset Management Fee, Incentive Fee, Capital Management Expenditure Fee, Acquisition Fee or Financing Fee. For purposes of this Section 11, the Incentive Fee shall be calculated as if all of the Properties were sold on the day of termination of this Agreement pursuant to this Section 11.

12. Termination upon Default

(a) For the purposes of this Agreement,

(i) **“Event of Default”** means:

- (1) the commission by the Asset Manager or any of its agents or employees of any act constituting fraud, misconduct, breach of fiduciary duty, negligence or a wilful breach of applicable laws;
- (2) if, in the performance or failure in the performance of the duties of the Asset Manager hereunder, the Asset Manager demonstrates a wilful disregard for the best interests of the Client;
- (3) the material breach by the Asset Manager in the performance of any of its obligations under this Agreement unless the Asset Manager has cured such breach within 30 days following receipt of written notice from the Client advising the Asset Manager of such breach or such longer period of time as is reasonably necessary to cure such breach provided that the Asset Manager has within such 30 day period commenced the curing of such breach and continues to cure such breach in a diligent and expeditious manner, subject to force majeure;
- (4) the assignment by the Asset Manager of its interest under this Agreement in contravention of Section 14 hereof; or
- (5) the persistent, continuing failure by the Asset Manager in the performance of its material obligations under this Agreement and the continuing failure by the Asset Manager to cure any breach of any of its obligations hereunder after notice has been given by the Client.

(ii) **“Event of Insolvency”** means any one or more of the following events:

- (1) if the Asset Manager shall:
 - (a) be wound up, dissolved or liquidated, or become subject to the provisions of the Winding-up Act (Canada) or any successor legislation thereto or have its existence terminated or have any resolution passed therefor;
 - (b) make a general assignment for the benefit of its creditors or a proposal under the Bankruptcy and Insolvency Act (Canada) or any successor legislation thereto; or
 - (c) propose a compromise or arrangement under the Companies’ Creditors Arrangement Act (Canada) or any successor legislation thereto or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for the benefit of creditors;

- (2) if a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Asset Manager seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors and the Asset Manager shall acquiesce in the entry of such order, judgment or decree and such order, judgment or decree shall remain unvacated or unstayed for an aggregate of 30 days (whether or not consecutive) from the day of entry thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers shall be appointed for the Asset Manager or of all or any substantial part of its property with the consent or acquiescence of the Asset Manager or such appointment shall remain unvacated or unstayed for an aggregate of 30 days (whether or not consecutive);
- (3) if the ability of the Asset Manager to carry out its duties hereunder has been materially adversely affected by an encumbrancer taking possession of all or any part of the property of the Asset Manager and such encumbrancer remains in possession of such property for an aggregate of 15 days (whether or not consecutive); or
- (4) if the Asset Manager becomes insolvent.

(b) Termination Rights on Event of Default

If an Event of Default occurs with respect to the Asset Manager, the Client shall have the right to terminate this Agreement by giving notice to such effect to the Asset Manager, which notice shall provide the reason for the termination in reasonable detail. Such termination shall be effective as of the date (A) specified by the Client in such notice (which date shall not be more than 60 days following the notice date) or (B) if not specified by the Client in such notice, on which the Asset Manager received such notice or (C) on such later date, and on such terms, as the Client and the Asset Manager may agree in writing.

(c) Termination Right on Event of Insolvency

If an Event of Insolvency occurs, the Client shall have the right to terminate this Agreement by giving notice to such effect to the Asset Manager, which notice shall provide the reason for the termination in reasonable detail. Such termination shall be effective as of the date on which the Asset Manager receives such notice.

(d) Reimbursement for Costs on Termination for Cause

Upon termination of this Agreement other than pursuant to Section 12(a)(i)(1), and provided that the Asset Manager first complies with Section 12(f) hereof and provides a certificate to the Client certifying such compliance, the Asset Manager shall be paid all expenses for which it is entitled to be reimbursed hereunder together with any accrued Asset Management Fee, Incentive Fee, Capital Expenditures Management Fee, Acquisition Fee or Financing Fee. Upon termination of this Agreement pursuant to Section 12(a)(i)(1), the Asset Manager shall not be entitled to be paid any fees or expenses whatsoever hereunder, including any accrued fees and expenses.

(e) Termination by Asset Manager

At any time, the Asset Manager shall have the right, upon 60 days' prior written notice, to terminate this Agreement for any reason. In that regard, upon such termination, the Asset Manager will comply with Section 12(f) herein. Upon termination of this Agreement pursuant to the terms of this Section 12(e), and provided the Asset Manager has complied with Section 12(f), the Asset Manager shall be paid all expenses for which it is entitled to be reimbursed hereunder, together with any accrued Asset Management Fee, Incentive Fee, Capital Management Expenditures Fee, Acquisition Fee or Financing Fee. For purposes of this Section 12(e), the Incentive Fee shall be calculated as of all of the Properties where sold on the day of termination of this Agreement pursuant to this Section 12(e).

(f) Return of Records

Forthwith upon termination of this Agreement, the Asset Manager shall promptly deliver to such party as directed by the Client all books and records maintained by the Asset Manager, including all information relating to the Properties which is stored by the Asset Manager in any computer, microfiche records or other information storage medium.

13. Term

This Agreement is for a term of 5 years (herein called the “**Initial Term**”) commencing as of the date hereof and ending on the fifth anniversary of the date hereof and will be renewable for further 5 year terms (herein called the “**Renewal Terms**” and together with the Initial Term is herein called the “**Term**”), unless and until this Agreement terminates in accordance with the provisions of either this Section 13 or Sections 11 or 12. Subject only to the provisions of Sections 11, 12 and 13 and the right of the Asset Manager to terminate this Agreement by notice to the Client in accordance with Section 12(e), the Asset Manager shall automatically be rehired at the expiration of the Initial Term. At least 16 months prior to the end of the first Renewal Term and each subsequent Renewal Term thereafter, the REIT shall cause the trustees of the REIT who are “independent” of the Asset Manager (using the definition of “independent” under Canadian securities laws applicable to boards of directors) to review the performance of the Asset Manager of its duties for the Client. If such independent trustees determine that the Asset Manager has not been meeting its obligations as set out in this Agreement, they may resolve or otherwise determine that the continuation of this Agreement is not in the best interests of Unitholders and that the termination of this Agreement at the end of the then current Renewal Term should be submitted to a vote of Unitholders at a meeting duly called and held. If such termination is approved by at least two-thirds of the votes cast by the Unitholders at such meeting, the REIT shall have the right to terminate this Agreement, provided that the REIT provides the Asset Manager with at least 12 months’ prior written notice of such termination; otherwise, the Asset Manager shall automatically be rehired at the end of the current Renewal Term for the next Renewal Term.

14. Assignment.

- (a) The Asset Manager shall not have the right to assign its rights or interest in or delegate its duties or obligations under this Agreement (by operation of law or otherwise) unless Approved by the Client, which Approval may be unreasonably withheld in the Client’s sole, absolute and unfettered discretion. Notwithstanding the foregoing, the Asset Manager may, on 10 days’ prior written notice to the Client, assign its rights or interest in or delegate its duties or obligations under this Agreement to an Affiliate of the Asset Manager or to a company or partnership Controlled directly or indirectly by Michael J. Cooper without the Client’s Approval, provided that in the case of an assignment to an Affiliate of the Asset Manager, the Asset Manager and such Affiliate shall be jointly and severally bound to the Client for all obligations of the Asset Manager and the assignee hereunder.
- (b) The Client shall not have the right to assign its rights or interest in this Agreement unless Approved by the Asset Manager, which Approval may be unreasonably withheld in the Asset Manager’s sole, absolute and unfettered discretion. Notwithstanding the foregoing, the Client may, on 10 days’ prior written notice to the Asset Manager, assign its rights or interest under this Agreement (in whole or in part) to an Affiliate without the Asset Manager’s consent provided that DPLP and such Affiliate shall be jointly and severally bound to the Asset Manager for all obligations of the Client and the assignee hereunder.

15. Notices.

- (a) Each notice to a party must be given in writing and delivered personally or by courier or transmitted by fax to such party as follows:

If to the Asset Manager:
State Street Financial Centre
30 Adelaide Street East
Suite 1600
Toronto, Ontario M5C 3H1
Attention: President
Fax: (416) 365-3545

If to the Client:

c/o Dundee Properties (GP) Inc.
State Street Financial Centre
30 Adelaide Street East
Suite 1600
Toronto, Ontario M5C 3H1
Attention: President
Fax: (416) 365-3545

- (b) Any party may, from time to time, give notice of a change in its address or fax number or the Person referred to above.
- (c) Any notice:
 - (1) delivered personally or by courier on a Business Day will be deemed to have been given on that Business Day;
 - (2) delivered personally or by courier on a day that is not a Business Day will be deemed to have been given on the next Business Day;
 - (3) transmitted by fax on a Business Day and (i) for which the sending Party has received confirmation of transmission before 3:00 p.m. on that Business Day, will be deemed to have been given on that Business Day, or (ii) for which the sending Party has received confirmation of transmission after 3:00 p.m. on that Business Day, will be deemed to have been given on the next Business Day; and
 - (4) transmitted by fax on a day that is not a Business Day, will be deemed to have been given on the next Business Day.
- (d) Any notice given by any party under or in connection with this Agreement, if addressed to fewer than all of the parties, shall also be concurrently copied and given to all of the parties to whom the notice is not addressed.

16. Indemnification.

- (a) The Asset Manager shall indemnify and save the Client, its Affiliates and its and their directors, officers and employees, harmless from and against any and all loss, cost, damage, liability and expense, including, but without limitation, reasonable legal fees and expenses, incurred by the Client, its Affiliates and its and their directors, officers or employees (i) as a consequence of any bad faith, gross negligence or wilful misconduct on the part of the Asset Manager or any breach by the Asset Manager of this Agreement and (ii) relating in any way to any employees, officers or agents of the Asset Manager.
- (b) Except for those matters against which the Asset Manager has granted an indemnity in accordance with Section 16(a) hereof or otherwise provided in this Agreement, the Client shall indemnify and save the Asset Manager and its Affiliates and its and their directors, officers and employees, harmless from and against any and all loss, cost, damage, liability and expense including, but without limitation, reasonable legal fees and expenses incurred by the Asset Manager, its directors, officers or employees and resulting from the Asset Manager's performance of its duties and obligations in accordance with this Agreement.

17. Exculpatory Clause.

The Client acknowledges that the Asset Manager may in certain cases require the assistance and co-operation of the Client in the performance of the duties of the Asset Manager hereunder. In that regard, the Client covenants and agrees to provide all necessary assistance and co-operation on a timely basis to enable the Asset Manager to comply with its obligations herein.

The Client acknowledges that, so long as the Asset Manager has acted in good faith, the Asset Manager shall not be liable for any consequences resulting from the Client following or declining to follow any advice or recommendation made by the Asset Manager or any action taken by the Asset Manager in accordance with this

Agreement nor shall the Asset Manager be liable for any depreciation in the value of any of the Properties nor shall the Asset Manager be liable for any error in judgment.

18. Personnel.

Any staff engaged by the Asset Manager to provide the services which the Asset Manager is obliged to provide pursuant to or in respect of this Agreement shall be employees of the Asset Manager and not of the Client and all costs relating to their employment, termination or severance shall be the responsibility of the Asset Manager. The withholding and payment of any amounts required to be withheld and paid to any Governmental Authority, including, but without limitation, workers compensation premiums, unemployment insurance premiums, Canada Pension Plan or Quebec Pension Plan payments, federal or provincial income taxes, and employer's health taxes, shall be withheld and paid by the Asset Manager.

19. Competition.

The Client shall have the first right to acquire a minimum 50% interest in any property in the Client's core markets of office and industrial Properties in Canada, identified by the Asset Manager for purchase. Other than this limitation, the Asset Manager and the Client shall be entitled to engage in conduct which is competitive with the Properties and/or any other Properties owned, leased or managed by the Asset Manager or the Client, as applicable. Nothing in this Agreement, other than the first sentence of this Section 19, shall prevent the Asset Manager from either acquiring, for its own account or otherwise, or from providing asset management services to any other Person or with respect to, any real estate which is similar to or similarly situated to the Properties.

20. Limitation of Recourse.

There shall be no liability under this Agreement of, nor any recourse under this Agreement to, any officer, director, shareholder, trustee, partner, trustee, affiliate, employee or agent of any party to this Agreement.

21. Representations and Warranties.

The Asset Manager represents and warrants to the Client that it has, and agrees that it will maintain, all requisite power, authority, licenses, permits, consents and other third party approvals and approvals of Governmental Authorities to carry on its business as now conducted and to execute, deliver and perform its obligations which arise pursuant to or in respect of this Agreement and this Agreement and the performance by the Asset Manager of its obligations hereunder does not violate any agreements or obligations pursuant to which the Asset Manager is bound. The Client represents and warrants to the Asset Manager that it has all requisite power and authority to execute, deliver and perform its obligations which arise pursuant to or in respect of this Agreement.

22. Confidentiality.

All information received by the Asset Manager shall be held in confidence and be used only in the course of performing its duties set out in this Agreement. The Asset Manager shall not disclose such information to any Person and shall advise its agents, contractors, representatives, employees or other staff of the confidential nature of such information. The Asset Manager shall assist the Client in the development and implementation of protective procedures to ensure such confidentiality.

Notwithstanding the foregoing, information that is received by the Asset Manager on a non-confidential basis from the Client, or is or becomes known to the general public through no act or omission of the Asset Manager, or that becomes available on a non-confidential basis to the Asset Manager from a third party, shall not be subject to the terms of this Section 22.

23. No Partnership.

It is understood and agreed that nothing contained in this Agreement nor in any acts of the parties hereto shall be deemed to create a partnership relationship or any relationship between the Client and the Asset Manager other than the relationship of property owner and independent contractor.

24. Status of Asset Manager.

The Asset Manager acknowledges that the Client or its Affiliates will retain title, ownership and exclusive control, directly or indirectly, of the Properties or its interest therein and will make all decisions in connection therewith, and that the Asset Manager will not acquire, directly or indirectly, title to, any security interest in, or any rights of any kind whatsoever in, to or under the Properties (or any income, receipts or revenues therefrom). The Asset Manager further acknowledges that the retention of the Asset Manager hereunder shall in no event constitute an agency and under no circumstance shall the Asset Manager be deemed an agent of the Client or any of its Affiliates for any purpose. The Asset Manager does not acquire by this Agreement any delegation of decision-making authority from the Client or any of its Affiliates. The Asset Manager has a purely advisory role under this Agreement. For greater certainty, the Asset Manager shall not, without first obtaining the Approval of the Client, bind the Client to any Contract or obligations.

25. GST Remittance.

Unless the Client provides evidence to the Asset Manager that the Client is exempt from the payment of Goods and Services Tax (“GST”), the Client shall pay, in addition to the fees and expenses hereunder, GST to the Asset Manager, and the Asset Manager shall collect and remit, GST on such fees and expenses as and when required by Part IX of the *Excise Tax Act* (Canada) and the equivalent provisions of any provincial taxing statute, as amended from time to time.

26. Set-off.

To the extent that any amount is owing by the Asset Manager to the Client pursuant to the terms hereof, which amount has not been disputed by the Asset Manager, or has otherwise been determined to be owing by a court of competent jurisdiction or by any other third party as contemplated hereunder, the Client shall have the right in its sole discretion to set off such amount against any amounts owing by the Client to the Asset Manager hereunder until all amounts owing to the Client have been paid in full and the Asset Manager hereby irrevocably and unconditionally authorizes the Client to set off any such amounts.

27. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

28. Sale/Purchase of Individual Properties.

If the Client Disposes of one or more of the Properties other than to an Affiliate(s) of the Client, such Property or Properties shall be deemed to be deleted from the definition of “Property” effective on the date of such sale. If the Client purchases, directly or indirectly, a property and pays an Acquisition Fee in respect thereof pursuant to Section 7(d) hereof, such property shall be deemed to be added to the definition of “Property” effective on the date of such purchase and shall be a Property for all purposes of this Agreement as and from such date.

29. Currency.

All sums of money referenced to herein shall be in Canadian dollars.

30. No Waiver.

Any consent or waiver by a party to or of any breach or default by the other party in the performance by such other party of its obligations hereunder must be in writing and no consent or waiver, express or implied, by a party to or of any breach or default by the other party in the performance of such other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default.

31. Entire Agreement.

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, express or implied, of the parties.

32. Time of the Essence.

Time shall be of the essence of this Agreement.

33. Amendments.

This Agreement may not be amended, supplemented or otherwise modified except by written agreement executed by all of the parties hereto.

34. Approval.

Wherever the provisions of this Agreement require an approval, consent or agreement (in this Section, individually or collectively referred to as an "Approval") unless the contrary is expressed herein:

- (a) the party whose Approval is required shall, within 15 days of receipt of a written request for Approval accompanied by reasonable detail, if the circumstances require, notify the requesting party, in writing, either that it approves or that it withholds its approval setting forth, in reasonable detail, its reasons for withholding;
- (b) the party requesting the Approval shall consult with the party whose Approval is required and provide any information concerning the same requested by the party whose Approval is required; and
- (c) if the notification referred to in (a) above is not given with the applicable period of time, the party whose Approval is requested shall be deemed conclusively to have given its Approval in writing.

35. Counterparts.

This Agreement may be executed in counterparts, each of which shall constitute an original and both of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

36. Survival.

The obligations set forth in Sections 12(d), (e) and (f) and Sections 7, 11, 16, 17, 18, 20, 21, 22 and 26 shall survive the termination of this Agreement.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Client and the Asset Manager have executed this Agreement as of the day and year first above written.

DUNDEE REALTY CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

**THE TRUSTEES OF DUNDEE REAL ESTATE
INVESTMENT TRUST**

By: _____
Name:
Title: Trustee

By: _____
Name:
Title: Trustee

**THE TRUSTEES OF DUNDEE PROPERTIES
OPERATING TRUST A**

By: _____
Name:
Title: Trustee

By: _____
Name:
Title: Trustee

**THE TRUSTEES OF DUNDEE PROPERTIES
OPERATING TRUST B**

By: _____
Name:
Title: Trustee

By: _____
Name:
Title: Trustee

**DUNDEE PROPERTIES (GP) INC. in its
capacity as general partner for
DUNDEE PROPERTIES LIMITED PARTNERSHIP**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

Defined Terms

“Acquisition Fee” has the meaning set out in Section 7(d) hereof.

“Affiliates” means for any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under the common Control with such first Person.

“Asset Management Fee” has the meaning set out in Section 7(a) hereof.

“Applicable Laws” means, in respect of any Person, all laws, statutes, regulations, statutory rules, principles of common law or equity, orders and terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority applicable to such Person or its business, undertaking and property having jurisdiction over the Person or its business, undertaking or property, and including, without limitation, as any of the foregoing apply to the environmental matters, and in each case as amended from time to time.

“Approved” and **“Approval”** have the meaning set forth in Section 34 hereof.

“Asset Business Plan” has the meaning set forth in Section 2(a) hereof.

“Business Day” means any day other than Saturday, Sunday and statutory holiday in Ontario.

“Capital Expenditures” means all costs incurred from time to time by the Client or any of its Affiliates in connection with the repair or replacement of capital items including, without limitation, environmental remediation costs and such other costs and expenses incurred by the Client or any of its Affiliates for any Property in relation to maintaining compliance with Applicable Laws.

“Capital Expenditures Management Fee” has the meaning set out in Section 7(c) hereof.

“Capital Project” means any single capital project for development or redevelopment of any property with a Hard Construction Cost in excess of \$1 million and which has been Approved by the Client prior to the commencement thereof, but specifically excludes any work done on behalf of tenants or any maintenance capital expenditures.

“Contracts” means contracts, licenses, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements (in each case, whether written or oral, express or implied).

“Control” means the possession, directly or indirectly, of the power to direct and manage or cause the direction and management of the policies of a Person, whether through the ability to exercise voting control, by contract, or otherwise. **“Controls”**, **“Controlling”** and **“Controlled”** have corresponding meanings.

“Declaration of Trust” means the amended and restated declaration of trust dated as of ●, 2007 pursuant to which the REIT was created, as the same has been and may be amended, varied, replaced or amended and restated from time to time.

“Disposition” means the sale, assignment or other transfer, when completed, of a Property, in whole or in part, and includes any sale, assignment or other transfer to the Asset Manager or to any Person in respect of which the Asset Manager has an ownership or financial interest provided that the Asset Manager has disclosed such interest to the Client in writing prior to the commencement of the negotiation of the sale price for such Disposition.

“Disposition” does not include any sale, assignment or other transfer to any Affiliate of the Client. **“Dispose”** and **“Disposed”** have corresponding meanings.

“Disposition Costs” means all reasonable and necessary costs and expenses incurred in connection with any Disposition, including, without limitation, funds utilized to satisfy legal fees and other expenses associated with the conveyance of title, brokerage fees and expenses, escrow fees, recording fees and transfer taxes, mutation and similar taxes, fees paid to environmental and engineering consultants and all other closing costs associated with the Disposition, other than fees payable hereunder.

“Distributable Income” means the distributable income of Dundee REIT as reported in the management’s discussion and analysis of Dundee REIT for the applicable Fiscal Year.

“Event of Default” has the meaning set forth in Section 12(a)(i) hereof.

“Event of Insolvency” has the meaning set forth in Section 12(a)(ii) hereof.

“Financing Fee” has the meaning set out in Section 7(e) hereof.

“Fiscal Year” means the 365-day period commencing on the date hereof and ending on the 365th day thereafter and each 365 or 366 day period thereafter.

“Governmental Authorities” means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and (d) any stock exchange or other self-regulatory organization.

“Gross Asset Value” is the deemed Gross Book Value of the Properties on the date hereof totalling approximately \$1,478,312,000 allocated on a Property by Property basis agreed upon between the Asset Manager and the Client as of the date hereof, together with any “holdback” Properties in respect of which consent to transfer to GE Real Estate or its affiliates in connection with the closing of the purchase and sale of the REIT’s “Eastern Portfolio” to GE Real Estate is not received, and all additions based on the gross purchase price of any acquisitions and deletions based on the value recorded in the Gross Book Value for that Property when it is disposed.

“Gross Book Value” has the meaning ascribed to it in the Declaration of Trust.

“Gross Revenues” means, without duplication, all revenues received by the Client or any of its Affiliates from the ownership, directly or indirectly, of the Properties for the designated period (other than revenues received on behalf of any other Person) but excluding any indebtedness, any extraordinary or nonrecurring revenues, any net proceeds from a sale, exchange, financing or refinancing of any Property, capital contributions, insurance proceeds (excluding any monies received on account of business interruption insurance) or condemnation proceeds, any set off or credits provided to any tenant in respect of any lease, security deposits and other deposits (unless applied to rents then currently due) and termination fees payable by tenants under leases

“Gross Sale Proceeds” means the total sale price set out in any agreement entered into by the Client with respect to a Disposition of a Property or Properties.

“Hard Construction Costs” means all direct construction costs incurred by the Asset Manager in the completion of the work associated with any Capital Project.

“Initial Term” has the meaning set forth in Section 13 hereof.

“Incentive Fee” has the meaning set forth in Section 7(b).

“Loan Documents” means all documentation relating to mortgages, loans and financing for the Properties.

“Net Sale Proceeds” means the Gross Sale Proceeds less all Disposition Costs respecting the Disposition of that Property.

“Person” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

“Properties” has the meaning set forth in the first recital to this Agreement, as amended pursuant to Section 28 hereof.

“Renewal Term” has the meaning set forth in Section 13 hereof.

“Term” has the meaning set forth in Section 13 hereof.

“Trustees” mean the trustees of the REIT from time to time.

“Unit” has the meaning ascribed to it in the Declaration of Trust.

“Unitholders” has the meaning ascribed to it in the Declaration of Trust.

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in the Circular or require assistance in completing your proxy form, please contact the proxy solicitation agent, at:

Georgeson

**100 University Avenue
11th Floor, South Tower
Toronto, Ontario
M5J 2Y1**

North American Toll Free Number: 1-888-605-7619